

3. PAYROLL REPORTING PROCEDURES

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AND TELEPHONE DIRECTORY

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 Telephone Directory	
CalPERS Employer Contact Center	(888)CalPERS (225-7377)
Fax Number, Fiscal Services	(916) 795-7901
Fax Number, Payroll Processing	(916) 795-3287
General Information (TDD only).....	(916) 795-3240

GENERAL INFORMATION FOR ALL REPORTING METHODS

REPORTABLE/NON-REPORTABLE COMPENSATION

CalPERS Compensation

Pay rate and special compensation must be in written schedules, ordinances, or similar documents that shall be available for public scrutiny.

California **Government Code sections 20630 and 20636** define compensation earnable, pay rate and special compensation as follows:

COMPENSATION (Government Code section 20630)

Compensation is broadly defined as payment to employees for services performed during normal working hours or for time during which the employee is excused from work because of holidays, sick leave, industrial disability (payments under Labor Code Section 4800 or 4850), vacation, compensatory time off or leave of absence. **The employer shall identify and report compensation for the pay period in which the compensation was “earned” regardless of when paid.**

WORKERS' COMPENSATION TEMPORARY DISABILITY AND INDUSTRIAL DISABILITY LEAVE PAYMENTS – What is reportable to CalPERS?

Government Code Section 20630 of the PERL defines “Compensation” as:

“...the remuneration paid out of funds controlled by the employer in payment for the member’s services performed during normal working hours or for time during which the member is excused from work because of: holidays; sick leave; industrial disability leave, during which, benefits are payable pursuant to Sections 4800 and 4850 of the Labor Code or Article 4 (commencing with Section 19869) of Chapter 2.5 of Part 2.6; vacation; compensatory time off; or leave of absence...”

For Safety Member Classifications

State peace officers and fire fighters with the Department of Justice pursuant to labor Code Section 4800 are eligible for industrial disability leave, when they are disabled, by and injury arising out of an in course of their duties. Labor Code Section 4850 contains

similar industrial disability leave provisions for various specified safety members of CalPERS. This pay is reportable to CalPERS.

For Miscellaneous Member Classifications

Government Code Section 19869 applies only to State Civil Service employees and does not apply to public agency or school miscellaneous CalPERS members. Workers’ Compensation temporary disability payments and employer payments in lieu of Workers’ Compensation benefits are **not reportable to CalPERS**. However, if a miscellaneous member uses accrued leave credits such as vacation, sick leave or compensated time off (CTO) the compensation attributable to the used leave credits are reportable to CalPERS.

COMPENSATION EARNABLE (Government Code section 20636)

The pay rate and special compensation of members is further defined below.

PAY RATE

The normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours. Pay rate for a member who is not in a group or class means the monthly rate of pay paid in cash and pursuant to publicly available pay schedules, for services rendered on a full-time basis only during normal working hours.

SPECIAL COMPENSATION

Special compensation shall be limited to that which is received by a member pursuant to a labor policy or agreement to similarly situated members of a group or class of employment and is reported in addition to and separately from pay rate. Special Compensation is also delineated specifically and exclusively in the regulations adopted in the **California Code of Regulations Section (CCR’s) 571 (a) and (b)**.

Subsection ‘b’ specifies the standards that all special compensation items must meet. A complete reprint of Section 571 (a) is on the following pages. 571(b) follows 571 (a).

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Only those items listed in the CCR 571 (a) and meeting criteria listed in 571 (b) are reportable. If the special compensation item is not included in the exclusive list, it is not reportable for retirement purposes.

- All special compensation should be reported separately as special compensation, as it is earned.
- Do not report special compensation prospectively, it must be reported for the pay period in which it was earned.

Special compensation does not include final settlement pay, payments made for additional services rendered outside normal working hours and any other payments the CalPERS Board of Administration has not affirmatively determined to be special compensation.

GROUP OR CLASS OF EMPLOYMENT

Group or class of employment means a number of employees considered together because they share job similarities, work location, collective bargaining unit, or other logical work related grouping.

COMPENSATION PAID TO COURT REPORTERS.

Report compensation for Court Reporters who qualify for CalPERS membership, i.e., those who serve half-time or more. Numerous statutes and a variety of payment methods prevent CalPERS from formulating standard reporting procedures for Court Reporters. Separate instructions are provided to the individual counties. Contact the Compensation Review Unit for further information.

CALIFORNIA CODE OF REGULATIONS

571. DEFINITION OF SPECIAL COMPENSATION

- (a) The following list exclusively identifies and defines special compensation items for members employed by contracting agency and school employers that must be reported to CalPERS if they are contained in a written labor policy or agreement.

(1) INCENTIVE PAY

Bonus – Compensation to employees for superior performance such as “annual performance bonus” and “merit pay.” If provided only during a member’s final

compensation period, it shall be excluded from the final compensation as “final settlement” pay. A program or system must be in place to plan and identify performance goals and objectives.

Dictation/Shorthand/Typing Premium – Compensation to clerical employees for shorthand, dictation or typing at a specified speed.

Longevity Pay – Additional compensation to employees who have been with an employer, or in a specified job classification, for a certain minimum period of time exceeding five years.

Management Incentive Pay – Compensation granted to management employees in the form of additional time off or extra pay due to the unique nature of their job. Employees within the group cannot have the option to take time off or extra pay. This compensation must be reported periodically as earned and must be for duties performed during normal work hours. This compensation cannot be for overtime, nor in lieu of other benefits excluded over the statutes, nor for special compensation not otherwise listed in section 571.

Marksmanship Pay – Compensation to local police officers, county peace officers and school police or security officers who meet an established criteria “certification” as a marksperson.

Master Police Officer – Compensation to local police officers, county peace officers and school police or security officers who meet specified requirements, years of employment, performance standards, education, Peace Officer Standard Training (POST), and perform a specialty assignment.

Physical Fitness Program – Compensation to local safety members and school security officers who meet an established physical fitness criterion.

Value of Employer-Paid Member Contributions (EPMC) – The full monetary value of employer-paid member contributions (EPMC) paid to CalPERS and reported as an item of special compensation on behalf of all members in a group or class.

The value of EPMC is calculated on all “compensation earnable” excluding the special compensation of the monetary value of EPMC paid to CalPERS by the employer under

GENERAL INFORMATION FOR ALL REPORTING METHODS

Government Code section 20636(c)(4) thus eliminating a perpetual calculation.

- (A) A resolution or ordinance of the governing body must be provided to CalPERS indicating the group or class, effective date, and percent or amount of EPMC being paid and reported as an item of special compensation. The resolution or ordinance must be formally adopted by the employer's governing body, and submitted to CalPERS for review and approval.
- (B) The resolution or ordinance must specify that the value of EPMC will be reported as an item of special compensation consistently, for all members in the affected group or class of employment – except that the employer's governing body may elect a "time-in-grade exception" that shall only apply to persons newly hired into the pertinent group or class of employment.
- (C) To be classified as "newly-hired", a member of the group or class must not have been previously hired or retained by the employer in any capacity whatsoever.
- (D) The time-in-grade exception must be elected in the same resolution or ordinance, or by amendment thereto, as adopted by the employer's governing body for the purpose of paying and reporting the value of EPMC, pursuant to the Section 571. The exception can only be used for the value of EPMC, and not for any other item of special compensation.
 - (1) The time-in-grade exception must be applied consistently to all newly-hired employees in the pertinent group or class. The time-in-grade requirement may be incremental, not to exceed a total of five (5) years. For example, the initial requirements may be three years for paying fifty percent (50%) with increases of twenty-five percent (25%) for each additional year of time-in-grade.
 - (2) Once the initial time-in-grade requirement has been met by a newly-hired employee, the employer shall begin paying and reporting the value of EPMC for him or her to the same extent as for all others in the pertinent group or class.
- (E) To implement the time-in-grade exception, the employer's governing body must

acknowledge that it may experience an upward adjustment to its employer contribution rate. The acknowledgment must be included in the resolution or ordinance by which the employer's governing body elected to pay and report EPMC as an item of special compensation, by adoption or amendment thereto.

- (F) The full terms of the resolution or ordinance by which the employer's governing body elects to pay and report the value of EPMC as an item of special compensation — along with any time-in-grade exception for newly-hired employees — must be incorporated into the written labor agreement that pertains to the affected group or class of employment.

The time-in-grade exception from paying and reporting the value of EPMC as an item of special compensation pursuant to this Section 571, is separate and apart from the time-in-grade exception from paying EPMC pursuant to Section 569 of these regulations. Both of these exceptions are separate and apart from, nor do they apply to, the process for converting EPMC to pay rate during the period of final compensation, pursuant to Section 20692 of the Government Code.

Off-Salary-Schedule Pay — Compensation in addition to base salary paid in similar lump-sum amounts to a group or class of employees. These payments are routinely negotiated through collective bargaining in lieu of increases to the salary schedule. These payments are based on a similar percent of scheduled salary **not to exceed six percent (6%) per fiscal year**. The contracting agency or school employer may adopt similar action for non-represented groups or classes of employment as were negotiated through collective bargaining.

(2) EDUCATIONAL PAY

The items of special compensation outlined below do not include reimbursement to an employee for the cost of an application or test, books, tuition or travel.

Applicator's Differential — Compensation to employees who are required to maintain a Qualified Pesticide Applicator's Certificate.

Certified Public Accountant Incentive — Compensation to miscellaneous employees passing and receiving a license as a Certified Public Accountant.

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Educational Incentive — Compensation to employees for completing educational courses, certificates and degrees which enhance their ability to do their job. A program or system must be in place to evaluate and approve acceptable courses. The cost of education that is required for the employee's current job classification is not included in this item of special compensation.

Emergency Medical Technician Pay — Compensation to safety employees who obtain and maintain an emergency medical technician (EMT) certification.

Engineering Registration Premium — Compensation to engineers who have taken and passed a California engineering proficiency exam and are registered with the State of California.

Government Agency Required Licenses — Compensation to employees receiving and maintaining a license required by government or regulatory agencies to perform their duties.

International Conference of Building Officials (ICBO) Combination Certificate — Compensation to building inspectors who obtain and maintain an International Conference of Building Officials (ICBO) certificate in one or more certified areas.

Mechanic Premium (Brake Adjustment License, SMOG Inspector License) — Compensation to employees who obtain and maintain state-required mechanical licenses.

National Institute of Automotive Service Excellence (NIASE) Certificate — Compensation to mechanics who obtain and maintain a National Institute of Automotive Service Excellence (NIASE) certificate.

Notary Pay — Compensation to clerical employees who obtain and maintain a notary public certificate from the State of California or are deputized by an agency's chief administrative officer to sign legal or financial documents for the agency.

Paramedic Pay — Compensation to employees who obtain and maintain certification in auxiliary medical techniques.

Peace Officer Standard Training (POST) Certificate Pay — Compensation to local police officers, county peace officers and school police or security officers who obtain Peace Officer Standard Training (POST) certification.

Reading Specialist Premium — Compensation to certificated employees who have obtained special training and provide literacy instruction as part of their teaching duties.

Recertification Bonus — Compensation to local firefighters who obtain and maintain a fire safety and prevention certificate for a specified period of time.

Special Class Driver's License Pay — Compensation to school bus drivers or street maintenance employees who are required to obtain and maintain a special class driver's license to perform their duties.

Undergraduate/Graduate/Doctoral Credit — Compensation to school district employees who are required to obtain a specified degree.

(3) PREMIUM PAY

Temporary Upgrade Pay—Compensation to employees who are required by their employer, or governing board or body, to work in an upgraded position/classification of limited duration.

(4) SPECIAL ASSIGNMENT PAY

Accountant Premium — Compensation to rank and file employees who are routinely and consistently responsible for developing the employer's budget.

Administrative Secretary Premium — Compensation to an administrative secretary responsible for coordinating meetings, plans and other specialized activities for the governing board of the contracting agency or school employer.

Aircraft/Helicopter Pilot Premium — Compensation to safety employees who are routinely and consistently assigned as aircraft/helicopter pilots.

Asphalt Work Premium — Compensation to miscellaneous employees who are routinely and consistently assigned to mix, transport and/or apply a tar-like substance for sidewalks, roads, roofs and/or parking lots.

Audio Visual Premium — Compensation to employees who are routinely and consistently responsible for operating audio visual equipment.

Auditorium Preparation Premium — Compensation to employees who are routinely and consistently assigned to prepare auditorium(s), i.e. setting up stages, lighting, props and chairs for performing arts purposes.

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Bilingual Premium — Compensation to employees who are routinely and consistently assigned to positions requiring communication skills in languages other than English.

Branch Assignment Premium —

Compensation to employees who are routinely and consistently assigned to a branch office or work site that is defined as “rural” or “remote”.

Canine Officer/Animal Premium —

Compensation to local police officers, county peace officer and school police or security officers who are routinely and consistently assigned to handle, train and board a canine or horse. Compensation shall not include veterinarian fees, feed or other reimbursable expenses for upkeep of the animal.

Cement Finisher Premium — Compensation to miscellaneous employees who are routinely and consistently assigned to finish cement work, e.g. watering, brushing or surfacing.

Circulation Librarian Premium —

Compensation to library staff routinely and consistently assigned to the circulation desk of the library.

Computer Operations Premium —

Compensation to employees who have special knowledge of computer processes and applications.

Confidential Premium — Compensation to rank and file employees who are routinely and consistently assigned to sensitive positions requiring trust and discretion.

Contract Administrator Coordinator Premium —

Compensation to school employees who routinely and consistently coordinate administrative contracts for instruction or facility maintenance.

Crime Scene Investigator Premium —

Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to analyze and explore a crime scene.

Critical Care Differential Premium —

Compensation to nursing staff who are routinely and consistently assigned to critical and intensive medical or psychological care areas.

D.A.R.E. Premium — Compensation to local police officers, county peace officers and school police or security officers who routinely

and consistently provide training to students on drug abuse resistance.

Detective Division Premium —

Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to a detective or investigative division or intelligence duties.

Detention Services — Compensation to employees who are routinely and consistently assigned to areas where criminally charged persons are confined and nursing staff who are routinely and consistently assigned to an adult facility where criminally charged persons are confined.

DUI Traffic Officer Premium —

Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to enforce Driving Under the Influence (DUI) of alcohol or drug laws.

Extradition Officer Premium —

Compensation to local police officers and county peace officers who routinely and consistently assigned to return a person to the custody of another jurisdiction.

Fire Inspector Premium — Compensation to “fire inspector” personnel who are routinely and consistently assigned to inspect buildings and other permanent structures for compliance with governmental safety standards.

Fire Investigator Premium — Compensation to “fire investigator” personnel who are routinely and consistently assigned to investigate causes of destructive burning.

Fire Prevention Assignment Premium —

Compensation to rank and file local firefighters who are routinely and consistently assigned to specific fire inspections and investigative work during normal hours of employment that may differ from the work schedule of fire suppression personnel.

Fire Staff Premium — Compensation to rank and file local firefighters who are routinely and consistently assigned to administrative work during normal hours of employment that may differ from the work schedule of fire suppression personnel.

Flight Time Premium — Compensation to safety employees for time spent as co-pilot or crew on work related air missions.

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Float Differential Premium — Compensation for nurses not specifically assigned to a specific station.

Front Desk Assignment (Jail) — Compensation to employees staffing a jail who are routinely and consistently assigned the duty of responding to questions from the public.

Fugitive Officer Premium — Compensation to local police officers and county peace officers who are routinely and consistently assigned to pursue persons who are fleeing from justice.

Gang Detail Assignment Premium — Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to enforce laws relating to a group of individuals banded together for unlawful activities.

Grading Assignment Premium — Compensation to employees who are routinely and consistently assigned to inspect the degree of rise or descent of a sloping surface.

Hazard Premium — Compensation to employees who are routinely and consistently exposed to toxic, radioactive, explosive or other hazardous substances or perform hazardous activities to implement health or safety procedures.

Heavy/Special Equipment Operator — Compensation to employees who are routinely and consistently assigned to operate heavy equipment or specialized equipment.

Height Premium — Compensation to employees who are routinely and consistently required to work on ladders or mechanical devices at heights over 40 feet.

Housing Specialist Premium — Compensation to city housing specialists who are routinely and consistently assigned to perform administrative functions of the housing division.

Juvenile Officer Premium — Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to enforce laws that restrict the activities of juveniles.

Lead Worker/Supervisor Premium — Compensation to employees who are routinely and consistently assigned to a lead or supervisory position over other employees,

subordinate classifications, or agency sponsored program participants.

Library Reference Desk Premium — Compensation to library staff who are routinely and consistently assigned to provide direction or resources to library patrons.

Maintenance Premiums:

Gas Maintenance Premium
Compensation to maintenance employees who are routinely and consistently assigned to inspect gas construction, repair instruments or perform pipeline welder duties.

Plumber Irrigation System Premium — Compensation to plumbers who are routinely and consistently assigned as irrigation systems plumbing specialists.

Refuse Collector Premium — Compensation to maintenance employees who are routinely and consistently assigned to collect refuse.

Street Lamp Replacement Premium — Compensation to maintenance employees who are routinely and consistently assigned to replace street lamps from an aerial bucket.

MCO Instructor Premium — Compensation to miscellaneous employees who are routinely and consistently assigned to train Motor Coach Operators, i.e. bus drivers.

Motorcycle Patrol Premium — Compensation to local police officers and county peace officers who are routinely and consistently assigned to operate and/or patrol on motorcycle.

Mounted Patrol Premium — Compensation to local police officers and county peace officers who are routinely and consistently assigned to operate and/or patrol on horseback.

Narcotic Division Premium — Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to drug enforcement.

Operations Specialist Premium — Compensation to local firefighters who are routinely and consistently assigned to administrative assistant duties.

Paramedic Coordinator Premium — Compensation to paramedics who are routinely and consistently assigned to coordinate training activities in auxiliary medical techniques.

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Park Construction Premium — Compensation to groundskeepers who are routinely and consistently assigned to build park equipment.

Park Maintenance/Equipment Manager Premium — Compensation to park maintenance employees who are routinely and consistently assigned to equipment management and other administrative duties.

Parking Citation Premium — Compensation to employees who are routinely and consistently assigned to read parking meters and cite drivers who have violated parking laws.

Patrol Premium — Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to patrol detail.

Police Administrative Officer — Compensation to rank and file police officers, county peace officers and school police or security officers who are routinely and consistently assigned to police administration to provide support for the police chief and command staff in the operation of the police department.

Police Investigator Premium — Compensation to rank and file local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to analyze crimes or investigate accidents.

Police Liaison Premium — Compensation to rank and file local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to function as a liaison between special persons, groups or courts and the police/sheriff department.

Police Polygraph Officer — Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to administer and interpret polygraph exams.

Police Records Assignment Premium — Compensation to employees who are routinely and consistently assigned to the police records division.

Rangemaster Premium — Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to supervise the target range facilities and all related activities.

Refugee Arrival Cleanup Premium — Compensation to employees who are routinely

and consistently assigned to cleanup from activities directly related to refugee arrival flights.

Safety Officer Training/Coordinator Premium — Compensation to employees who are routinely and consistently assigned to instruct personnel in safety procedures.

Sandblasting Premium — Compensation to miscellaneous employees who are routinely and consistently assigned to operate sandblasting equipment.

School Yard Premium — Compensation to part-time school district employees who are routinely and consistently assigned to supervise students during recreation.

Search Pay Premium — Compensation to local police officers and county peace officers who are routinely and consistently assigned to search and process prisoners in the induction area of jails.

Severely Disabled Premium — Compensation to school instructional aides who are routinely and consistently assigned to work with severely disabled students.

Sewer Crew Premium — Compensation to laborers who are routinely and consistently assigned to repair and maintain sewer systems.

Shift Differential — Compensation to employees who are routinely and consistently scheduled to work other than a standard “daytime” shift, e.g. graveyard shift, swing shift, shift change, rotating shift, split shift or weekends.

Solo Patrol Premium — Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to patrol alone in vehicles.

Sprinkler and Backflow Premium — Compensation to groundskeepers who are routinely and consistently assigned to repair large sprinkler head controllers, valves and backflow prevention devices.

Tiller Premium — Compensation to local firefighters who are routinely and consistently assigned to operate the tiller on an aerial ladder.

Tire Technician Premium — Compensation to equipment attendants who are routinely and consistently assigned to work on heavy duty tires, e.g. for buses and large construction equipment.

Traffic Detail Premium — Compensation to local police officers and county peace officers

GENERAL INFORMATION FOR ALL REPORTING METHODS

who are routinely and consistently assigned to direct traffic.

Training Premium — Compensation to employees who are routinely and consistently assigned to train employees.

Tree Crew Premium — Compensation to maintenance workers who are routinely and consistently assigned to remove, prune, or otherwise care for trees.

Utility Meter Premium — Compensation to miscellaneous employees who are routinely and consistently assigned to re-read utility meters, repair or set and install meters.

Utilities Systems Operation Premium — Compensation to maintenance or carpenter employees who are routinely and consistently assigned to planner duties in the maintenance division.

Water Certification Premium — Compensation to miscellaneous employees who are routinely and consistently assigned to test local water quality for compliance with governmental health standards.

(5) STATUTORY ITEMS

Fair Labor Standards Act (FLSA) —

Compensation paid for normal full-time work schedule including premium pay required by FLSA. For example, a firefighter's normal work schedule is 56 hours per week. FLSA states premium pay must be paid on all hours worked above 53 hours per week up to what is considered normal for employees on a full-time basis. In this example, the firefighter works 56 hours in a normal work week. Therefore compensation would be reported for 53 hours per week and FLSA premium pay would be reported for 3 hours per week. Any work performed above 56 hours per week would be considered overtime and would not be reported to CalPERS.

Holiday Pay — Additional compensation for employees who are normally required to work on an approved holiday because they work in positions that require scheduled staffing without regard to holidays. If these employees are paid over and above their normal monthly rate of pay for approved holidays, the additional compensation is holiday pay and reportable to CalPERS.

For those employees with written labor agreements providing holiday credit and allowing

employees to cash out accumulated holiday credit, the cash out must be done at least annually and reported in the period earned.

If a written labor agreement allows an employee to accumulate holiday credit beyond the year in which it is earned and an employee later elects to cash out accumulated holiday credit, it is not compensation for CalPERS purposes.

If an employee utilizes the cash out option only during his/her final compensation period, it will be considered final settlement pay and excluded from reportable compensation. If the cash out option is also utilized near his/her final compensation period, it may still be excluded based upon review of the contracting agency or school employer's experience relating to: the number of employees who exercise this option; the frequency with which employees exercise this option; whether or not the cash out is paid periodically, and in a manner that is historically consistent; and whether or not the cash out would create an unfunded liability over and above CalPERS' actuarial assumptions. This review will be conducted by CalPERS on a *case-by-case basis*.

Uniform Allowance — Compensation paid or the monetary value for the purchase, rental and/or maintenance of required clothing which is a ready substitute for personal attire the employee would otherwise have to acquire and maintain. This excludes items that are for personal health and safety such as protective vests, pistols, bullets, and safety shoes.

NOTE: If in doubt as to whether an item of compensation is reportable to CalPERS, submit a copy of the memorandum of understanding, union contract, or other supporting documentation to the Actuarial and Employer Services Division, Compensation Review Unit, for a determination.

571 (b)

(b) The Board has determined that all items of special compensation listed in subsection (a) are:

- 1) Contained in a written labor policy or agreement;
- 2) Available to all members in the group or class;
- 3) Part of normally required duties;
- 4) Performed during normal hours of employment;
- 5) Paid periodically as earned;
- 6) Historically consistent with prior payments for the job classification;
- 7) Not paid exclusively in the final compensation period;
- 8) Not final settlement pay; and,
- 9) Not creating an unfunded liability over and above CalPERS' actuarial assumptions.

Special Compensation items must meet definitions listed in 571(a) as well as the criteria outlined in 571(b) to be reported to CalPERS.

(c) Only items listed in subsection (a) have been affirmatively determined to be special compensation. All items of special compensation reported to CalPERS will be subject to review for continued conformity with all of the standards listed in subsection (b).

(d) If an item of special compensation is not listed in subsection (a) or is out of compliance with any of the standards in subsection (b) as reported for an individual, then it shall not be used to calculate the final compensation for that individual.

EMPLOYERS PAYING MEMBER CONTRIBUTIONS

State and federal statutes provide various provisions for paying and reporting member contributions. Below are four provisions, a brief description of each and requirements to implement any of the four.

1. Payment of Member Contributions

A contracting public agency or school employer may pay all or a portion of the normal contributions required to be paid by members of a group or class. This is called Employer Paid Member Contributions (EPMC). If an individual is not part of a group or class, the agency must pay EPMC for the closest related group in order to pay EPMC for the individual. Determinations for "group of one" and closest related group are made on a case-by-case basis by Actuarial and Employer Services Division. For this option a resolution is required (see Sample A). A copy should be sent to:

CalPERS
Actuarial and Employer Services
Compensation Review Unit
P.O. Box 942709
Sacramento, CA 94229-2709

An example of reporting contribution codes can be found in this chapter.

Section 569 — An employer may implement a cumulative "**time-in-grade exception**" for newly-hired employees upon the election by a contracting agency or school employer for the payment of normal member contributions (Employer Paid Member Contributions, or EPMC) based on compensation within the pertinent group or class. To elect the "time-in-grade exception," the employer's governing body must adopt a resolution (see Sample B) that specifies the "time-in-grade" schedule and group or class involved. The "time-in-grade exception" cannot take effect until after the resolution has been reviewed and approved by CalPERS. To be classified as "newly hired", a member of the group or class must not have been previously hired or retained by the employer in any capacity whatsoever.

GENERAL INFORMATION FOR ALL REPORTING METHODS

RESOLUTION FOR EPMC

SAMPLE A

RESOLUTION FOR EMPLOYER PAID MEMBER CONTRIBUTIONS

WHEREAS, the governing body of the (Name of Agency) has the authority to implement Government Code Section 20691;

WHEREAS, the governing body of the (Name of Agency) has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer;

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the (Name of Agency) of a Resolution to commence said Employer Paid Member Contributions (EPMC);

WHEREAS, the governing body of the (Name of Agency) has identified the following conditions for the purpose of its election to pay EPMC:

- This benefit shall apply to all employees of (Membership Category)
OR (Group or Class) .
- This benefit shall consist of paying (Percent) of the normal member contributions as EPMC.
- The effective date of this Resolution shall be (Date) .

NOW, THEREFORE, BE IT RESOLVED that the governing body of the (Name of Agency) elects to pay EPMC, as set forth above.

BY

(Name of Official)

(Title of Official)

(Date adopted and approved)

GENERAL INFORMATION FOR ALL REPORTING METHODS

RESOLUTION FOR EPMC WITH TIME-IN-GRADE EXCEPTION

SAMPLE B

RESOLUTION FOR EMPLOYER PAID MEMBER CONTRIBUTIONS WITH TIME-IN-GRADE EXCEPTIONS

WHEREAS, the governing body of the ____ (Name of Agency) ____ has elected* to pay all or a part of the normal member contributions to the California Public Employees' Retirement System (CalPERS) pursuant to Government Code Section 20691, and applicable labor policies or agreements;

WHEREAS, the governing body of the ____ (Name of Agency) ____ may elect a time-in-grade Exception to said Employer Paid Member Contributions (EPMC) within a given group or class of employees as defined in Government Code Section 20636(e)(1) and as specifically authorized in Title 2, California Code of Regulations Section 569;

WHEREAS, the governing body of the ____ (Name of Agency) ____ has identified the following conditions for the application of said Exception:

- This exception shall apply to all employees of ____ (Membership Category) ____ OR ____ (Group or Class) ____.**

- (Name of Agency) elects to pay ____ % for all current employees.

- For employees hired after ____ (Date) ____, the ____ (Name of Agency) ____ will pay EPMC according to the following time-in-grade schedule:

Year ____ (Year) ____ at ____ (Percent) ____ %.***
(cannot be prior to the effective date of this resolution).

- Once a newly-hired employee accrues five (5) years of total service (either on a continuous or cumulative basis), s/he shall be entitled to payment of EPMC on the same terms that apply to all other employees in the group or class. In so resolving, the governing body of the ____ (Name of Agency) ____ agrees to abide by Section 569, the terms of which are incorporated-by-reference as if fully set forth herein.

- The effective date of this Resolution shall be ____ (Date) ____.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the ____ (Name of Agency) ____ elects a time-in-grade Exception as set forth above.

BY

(Name of Official)

(Title of Official)

(Date adopted and approved)

*Note: This sample Resolution is designed as an amendment to a pre-existing Resolution to pay EPMC (see Sample Resolution A). In the alternative, a governing body of a public agency may incorporate the terms of this sample Resolution into the Resolution by which it initially elects to pay EPMC (i.e., if there is no pre-existing Resolution A).

**Note: This Exception may be elected for any or all of the groups or classes of employees on whose behalf a public agency has elected to pay EPMC.

***Note: Employer may add additional steps; however, the five (5) year requirement remains.

2. Paying and Reporting the Value of EPMC

Effective July 1, 1994, under Government Code Section 20636(c) and California Code of Regulations Section 571 (a) (1), an employer has the option of reporting the value of Employer Paid Member Contributions (EPMC) to CalPERS as additional compensation. This provision must be adopted and applied equally to everyone in a group or class of employment. If an individual is not part of a group or class, the agency must pay and report the value of EPMC for the closest related group in order to pay and report the value of EPMC for the individual. Determinations for "group of one" and closest related group are made on a case-by-case basis by the Actuarial and Employer Services Division, Compensation Review Unit.

Should an agency decide to report the value of EPMC, it would need to comply with following items:

- 1) Each written labor policy or agreement must acknowledge the fact that the employer is paying and reporting the value of EPMC for everyone in that group or class.
- 2) The governing board must pass a Resolution utilizing language similar to Sample C.
- 3) The Resolution must be sent to the Compensation Review Unit and written confirmation of compliance will be returned to the employer.
- 4) The amount (percent) of EPMC being paid by the employer is the value (amount) that must be reported as special compensation.
- 5) The value of EPMC must be reported on all compensation, i.e., payrate and special compensation (except special compensation identified as the value of EPMC under Government Code Section 20636(c) (4), this avoids the perpetual loop of reporting the value of EPMC on the previous value of EPMC).

NOTE: School districts may negotiate for this provision on a district by district basis. It does not have to be done by all districts under the County Office of Education.

Reporting the value of EPMC should not affect the calculations the agency makes for overtime or other special payments employees receive as a factor of base salary. Reporting the value of EPMC is not subject to state and federal income taxes, nor Social Security and Medicare taxes. However, since there is no case or ruling directly related to Social Security and Medicare, affected employers should consider seeking a ruling from the Internal Revenue Service on this issue.

The cost of reporting the value of EPMC will be an increase in the Agency's employer and employee contributions due to the increased earnings reported. There could also be an increase to the employer's rate similar to increases associated with comparable pay rate increases for groups of employees. The cost for this provision is expected to be the same as the cost of converting EPMC to salary in the final compensation period. The cost is paid in a different manner, i.e., if the additional compensation increases an employee's retirement allowance by \$100.00 per month under either method, CalPERS will collect the same amount of money from member and employer contributions to pay for that benefit.

GENERAL INFORMATION FOR ALL REPORTING METHODS

Section 571 — An employer may implement a cumulative “**time-in-grade exception**” for newly-hired employees for contracting agency and school employers to pay and report the value of EPMC as an item of “special compensation” within the pertinent group or class. To elect the “time-in-grade exception,” the employer’s governing body must adopt a resolution (Sample D) that specifies the “time-in-grade” schedule and group or class involved. The “time-in-grade exception” cannot take effect until after the resolution has been reviewed and approved by CalPERS. To be classified as “newly hired”, a member of the group or class must not have been previously hired or retained by the employer in any capacity whatsoever.

Reporting the Value of EPMC

The example below demonstrates the method to **report the value of EPMC on compensations earnable**. The employee in this example has \$5,000 in regular earnings and a second payroll entry of \$50 for Uniform Allowance. The contribution rate in this example is 7.000%. The last entry with a pay code 09, pay rate of \$355.25, earnings of \$355.25, and \$24.87 in contributions illustrates reporting the value of EPMC as a separate payroll entry:

Type of Payroll Entry	MONTH/SERVICE PERIOD	Pay Code	Pay Rate	Earnings	Contribution Rate	Contributions
Normal Payroll Entry	October 2004	01	\$5,000.00	\$5,000.00	7.000%	350.00
Special Compensation Entry	October 2004	09	\$50.00	\$50.00	7.000%	3.50
Reporting the Value of EPMC	October 2004	09	\$355.25	\$355.25	7.000%	24.87
				\$5,430.25		380.12

NOTE: For more information contact:
CalPERS
Actuarial and Employer Services Division,
Compensation Review Unit
P.O. Box 942709
Sacramento, CA 94229-2709
(888) CalPERS (225-7377)

RESOLUTION FOR PAYING AND REPORTING THE VALUE OF EPMC

RESOLUTION FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS

(Date adopted and approved)

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GENERAL INFORMATION FOR ALL REPORTING METHODS

RESOLUTION FOR EPMC WITH TIME IN GRADE EXCEPTION

SAMPLE D

RESOLUTION FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS WITH TIME-IN-GRADE EXCEPTION

WHEREAS, the governing body of the (Name of Agency) has elected* to pay and report the value of all or a part of the normal member contributions to the California Public Employees' Retirement System (CalPERS) pursuant to Government Code Sections 20636 (c)(4) and 20691, and applicable labor policies or agreements;

WHEREAS, the governing body of the (Name of Agency) may elect a time-in-grade Exception to said Employer Paid Member Contributions (EPMC) within a given group or class of employees as defined in Government Code Section 20636(e)(1) and as specifically authorized in Title 2, California Code of Regulations Amended Section 571;

WHEREAS, the governing body of the (Name of Agency) has identified the following conditions for the application of said Exception:

- This Time-in-Grade exception shall apply to all employees of (Membership Category) OR (Group or Class). **

- (Name of Agency) elects to pay _____% for all current employees.

- For employees hired after (Date), the (Name of Agency) will, pursuant to Title 2, California Code of Regulations Amended Section 571, pay and report the value of EPMC according to the following time-in-grade schedule:

Year (Year) at (Percent). ***
(cannot be prior to the effective date of this resolution)

- Once a newly-hired employee accrues five (5) years of total service (either on a continuous or cumulative basis), s/he shall be entitled to payment of EPMC on the same terms that apply to all other employees in the group or class. In so resolving, the governing body of the (Name of Agency) agrees to abide by Section 571, the terms of which are incorporated-by-reference as if fully set forth herein.
- The effective date of this Resolution shall be (Date).

WHEREAS, the governing body of the (Name of Agency) acknowledges that the adoption of this Resolution may result in an upward adjustment of its employer contribution rate;

NOW, THEREFORE, BE IT RESOLVED that the governing body of the (Name of Agency) elects a time-in-grade exception, as set forth above.

BY

(Name of Official)

(Date of Official)

(Date adopted and approved)

*Note: This sample Resolution is designed as an amendment to a pre-existing Resolution to pay and report EPMC (see Sample Resolution C). In the alternative, a governing body of a public agency may incorporate the terms of this sample Resolution into the Resolution by which it initially elects to pay and report EPMC (i.e., if there is no pre-existing Resolution C).

**Note: This Exception may be elected for any or all of the groups or classes on whose behalf a public agency has elected to pay and report EPMC.

***Note: Employer may add additional steps; however, the five (5) year requirement remains.

3. Converting EPMC to Salary in the Final Compensation Period

(Contract Amendment Method)

Effective July 1, 1994, the conversion of EPMC to salary in an employee's final compensation period is the only provision allowed in the Public Employees' Retirement Law (PERL). This provision must be adopted and applied equally to everyone in a group or class of employment. If an individual is not part of a group or class, the agency must adopt this provision for the closest related group in order to convert EPMC to salary for the individual. Determinations for "group of one" and closest related group are made on a case-by-case basis by the Actuarial and Employer Services Division, Compensation Review Unit.

Government Code section 20692, effective July 1, 1994, provides:

"(a) Where a contracting agency employer or a school employer has elected to pay all or a portion of the normal contributions of members of a group or class of employment pursuant to Section 20691, the employer may, pursuant to a labor policy or agreement, stop paying those contributions during the final compensation period applicable to the members and, instead, increase the pay rate of the members by an amount equal to the normal contributions paid by the employer on behalf of the employees or increase the pay rate of the members by an amount established by a labor policy or agreement in existence and in effect on June 30, 1994. That amount shall not exceed the amount of the normal member contributions that are required to be paid by the members." (Emphasis added.)

Also, please refer to the California Code of Regulations, Section 566.1. This regulation can be found in the PERL or contact the Employer Contact Center at (888) CalPERS (225-7377).

Should an agency decide to stop paying members' contributions in the final compensation period and instead increase the pay rate by an equal amount, it would need to comply with the following:

1. Request a valuation from the Public Agency Contract Services Unit and follow their

contract amendment procedures for this provision.

2. Include the provision in each written labor policy or agreement adopting this provision.
3. The amount of EPMC converted to salary must be the same amount (percent) of EPMC being paid by the employer unless there is a written labor agreement still in effect that was adopted prior to June 30, 1994 allowing the conversion of a smaller amount of EPMC than what is being paid.
4. Stop paying the members' contribution in the final compensation period and give a pay increase for all purposes. This is not just reporting the value of EPMC in the final compensation period.

After an agency amends its contract with CalPERS to provide this conversion, the new employer rate is effective the same day the amendment is effective. All employees in a group or class must be treated the same and there can be no "election" on the part of individual employees to convert EPMC to salary in the final compensation period. The conversion would be allowed from the effective date of the contract amendment and cannot be reported prior to the contract amendment date. If an employee only gives two weeks notice of retirement, the agency must retroactively adjust and report payroll for the conversion in the full final compensation period (for any final compensation period after the effective date of the contract amendment). If an employee cancels a retirement date, the agency can reverse the entries for the conversion but **must** commence the conversion again in the new final compensation period. An example of reporting contribution codes can be found later in this section.

NOTE: Individual school districts **cannot** be agreed to by all districts; each district must pass a resolution for this provision in order for the County Office of Education to amend its contract to convert EPMC to salary in the final compensation period.

4. Tax Deferring the Member Paid Contributions**Internal Revenue Code Section 414 (h) (2)
Employer Pick-up**

Employees can pay their own member contributions from base salary and defer state and federal income taxes on the member contributions. This is called Employer Pick-up (EPU). This program provides employees' contributions to be treated as employer contributions for federal and state tax purposes.

The amount reported to the IRS is base salary less the member contributions. Federal and state taxes on the amount of contributions are postponed until distribution either through a retirement allowance or a lump sum payment (refund). All supplemental pay that is based upon employees' salary, such as overtime will be computed on the employees' original gross salary (base pay including the member contributions). Unless a pay raise is negotiated along with the IRC 414(h)(2), no increase in the member's pay rate is reported to CalPERS.

For this option a resolution to CalPERS is required (see Sample E).

Copies of all EPMC resolutions should be sent to:

CalPERS
Actuarial and Employer Services Division,
Compensation Review Unit
P.O. Box 942709
Sacramento, CA 94229-2709

For more information, contact the Employer Contact Center at (888) CalPERS (225-7377).

GENERAL INFORMATION FOR ALL REPORTING METHODS

RESOLUTION TO TAX DEFER MEMBER PAID CONTRIBUTIONS

SAMPLE E

RESOLUTION FOR EMPLOYER PICK-UP

WHEREAS, the _____ (Name of Agency) has the authority to implement the provisions of section 414(h)(2) of the Internal Revenue Code (IRC); and

WHEREAS, the Board of Administration of the Public Employees' Retirement System adopted its resolution regarding section 414(h)(2) IRC on September 18, 1985; and

WHEREAS, the Internal Revenue Service has stated in December 1985, that the implementation of the provisions of section 414(h)(2) IRC pursuant to the Resolution of the Board of Administration would satisfy the legal requirements of section 414(h)(2) IRC; and

WHEREAS, the _____ (Name of Agency) has determined that even though the implementation of the provisions of section 414(h)(2) IRC is not required by law, the tax benefit offered by section 414(h)(2) IRC should be provided to its employees who are members of the Public Employees' Retirement System:

NOW, THEREFORE, BE IT RESOLVED:

- I. That the _____ (Name of Agency) will implement the provisions of section 414(h)(2) Internal Revenue Code by making employee contributions pursuant to California Government Code section 20691 to the Public Employees' Retirement System on behalf of its employees who are members of the Public Employees Retirement System. "Employee contributions" shall mean those contributions to the Public Employees' Retirement System which are deducted from the salary of employees and are credited to individual employee's accounts pursuant to California Government Code section 20691.
- II. That the contributions made by the _____ (Name of Agency) to the Public Employees' Retirement System, although designated as employee contributions, are being paid by the _____ (Name of Agency) in lieu of contributions by the employees who are members of the Public Employees' Retirement System.
- III. That employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the _____ (Name of Agency) to the Public Employees' Retirement System.
- IV. That the _____ (Name of Agency) shall pay to the Public Employees' Retirement System the contributions designated as employee contributions from the same source of funds as used in paying salary.
- V. That the amount of the contributions designated as employee contributions and paid by the _____ (Name of Agency) to the Public Employees' Retirement System on behalf of an employee shall be the entire contribution required of the employee by the Public Employees' Retirement Law (California Government Code sections 20000, et seq.).
- VI. That the contributions designated as employee contributions made by _____ (Name of Agency) to the Public Employees' Retirement System shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by the Public Employees' Retirement System.

GENERAL INFORMATION FOR ALL REPORTING METHODS

PRE-TAX PAYROLL DEDUCTION PLAN (A.K.A. PLAN) FOR SERVICE CREDIT PURCHASE(S)

By filing a Resolution (see Sample F) with CalPERS, employers are allowed to extend the pick-up of member contributions under Internal Revenue Code section 414(h)(2) provisions for member payments by payroll deductions for service credit purchases. Individual employers who opt to participate in this “pick-up” program provide their employees, who elect to participate, with the benefit of deferring income tax liability on member service credit purchases. County Superintendents of Schools need submit only **one Resolution** which will cover all the districts/units within that superintendent’s jurisdiction. The effective date for commencement of the *Plan* cannot be any earlier than the date the completed resolution is received and approved by CalPERS.

Plan Restrictions/Requirements

EMPLOYER

1. The employer must file with CalPERS a completed original of the sample resolution to allow their employees to participate in the *Plan*.
2. The wording of the resolution cannot be altered.
3. The resolution applies to all employees in the specified employee groups or classifications (e.g., miscellaneous, safety, police, fire).
4. Upon receipt of an approval letter from CalPERS, the employer must also complete the “Readiness to Report” form. This form certifies that their payroll system can concurrently report both Contribution Code 04 (after tax) and Contribution Code 14 (pre-tax) payroll deductions for any employee with multiple service credit elections.
5. **Pre-tax payroll deductions (Code 14’s) must not be reported by the employer until the member has elected the *Plan*.** For each electing member, CalPERS will send a payroll deduction authorization form specifying their effective date of Contribution Code 14 reporting. IRS does not allow retroactive deductions.
6. The employer is responsible for reducing the taxable income of a member by the pre-tax payroll deduction amount.
7. Pre-tax deductions will be completed through the payroll reporting process using Code 14 instead of Code 04. Both contributions and contribution codes should be reported in the Tax-deferred Member Contribution fields instead of the Normal Member Contribution fields.
8. The employer may report both codes and contributions through a manual process by submitting Supplemental Payroll documents on an interim basis until their payroll system can incorporate both the code and contribution on a pre-tax basis for each employee.
9. Overpayments must be reported as negative adjustments through the payroll reporting process. The employer will be responsible for returning such funds to the member as taxable income.
10. The employer is responsible for **ALL payroll corrections** (including W-2 reporting) for the member.
11. The employer will report payroll deductions for service credit purchases for members who choose **NOT** to elect the *Plan* on an after-tax basis (Code 04).
12. Once the *Plan* Resolution is adopted, it is irrevocable.

MEMBER

1. Upon approval of the employer/CalPERS resolution, the member has the option to file a binding irrevocable election with CalPERS to elect the *Plan* for each type of service credit purchase.
2. Members with an existing (Code 04) receivable will be notified by CalPERS of their opportunity to elect the *Plan*.
3. Members requesting service credit purchase(s) will be provided the pre-tax election opportunity (if the employer is a *Plan* participant) with their cost information letter.

GENERAL INFORMATION FOR ALL REPORTING METHODS

4. The *Plan* amount and time period are irrevocable and cannot be adjusted at any time during the payroll deduction schedule.
5. The deductions are member contributions and are subject to income taxes when received by the member as either a retirement benefit or refund.
6. A member who elects the *Plan* deductions then changes employers will automatically continue pre-tax payroll deduction payments if the new employer is a *Plan* participant. If the new employer does not have a resolution on file with CalPERS, the deductions will be taken on an after-tax basis.
7. A member who elects the *Plan* is not allowed to make additional direct cash payments (i.e., lump sum, partial payments, or increased scheduled payments).
8. A member who elects the *Plan* and terminates employment will be given the option to pay the lump sum balance or continue payments on an after-tax basis through Direct Payments to CalPERS.
9. A member who elects the *Plan* and retires may request to pay the lump sum balance. If no request is made, payments will continue through retirement allowance deductions.
10. Electing the *Plan* will reduce the taxable gross and may lower the amount the member can contribute into a defined contribution plan. It is the member's responsibility to determine the potential impact prior to electing the *Plan*.
11. Once pre-tax deductions are elected, it is irrevocable unless #6 or #8 above applies.

NOTE: For more information contact:
CalPERS
Member Services Division
Service Credit Section, Unit 830
P.O. Box 942704
Sacramento, CA 94229-2704
(888) CalPERS (225-7377)

GENERAL INFORMATION FOR ALL REPORTING METHODS

RESOLUTION TO TAX DEFER SERVICE CREDIT PURCHASES

SAMPLE F

Return to CalPERS - Unit 830

Employer code: _____

EMPLOYER PICKUP RESOLUTION PRE-TAX PAYROLL DEDUCTION PLAN FOR SERVICE CREDIT PURCHASES (CONTRIBUTION CODE 14)

WHEREAS, the Board of Administration of the California Public Employees' Retirement System (CalPERS) at the April 1996 meeting approved a pre-tax payroll deduction plan for service credit purchases under Internal Revenue Code (IRC) section 414(h)(2); and

WHEREAS, the _____ {Employer} has the authority to implement the provisions of IRC section 414(h)(2) and has determined that even though implementation is not required by law, the tax benefit offered by this section should be provided to those employees who are members of CalPERS; and

WHEREAS, the _____ {Employer} elects to participate in the pre-tax payroll deduction plan for all employees in the following CalPERS employee groups or classifications (i.e., miscellaneous, safety, police, fire, etc.):

{Employee Groups or Classifications}

NOW, THEREFORE, BE IT RESOLVED:

I. That the _____ {Employer} will implement the provisions of IRC section 414(h)(2) by making employee contributions for service credit purchases pursuant to the California State Government Code on behalf of its employees who are members of CalPERS and who have made a binding irrevocable election to participate in the pre-tax payroll deduction plan. "Employee contributions" shall mean those contributions reported to CalPERS which are deducted from the salary of employees and are credited to individual employee accounts for service credit purchases, thereby resulting in tax deferral of employee contributions.

II. That the contributions made by the _____ {Employer} to CalPERS, although designated as employee contributions, are being paid by the _____ {Employer} in lieu of contributions by the employees who are members of CalPERS.

III. That the employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the _____ {Employer} to CalPERS.

GENERAL INFORMATION FOR ALL REPORTING METHODS

- IV. That the _____ {Employer} shall pay to CalPERS the contributions designated as employee contributions from the same source of funds as used in paying salary, thereby resulting in tax deferral of employee contributions.
- V. That the effective date for commencement of the pre-tax payroll deduction plan cannot be any earlier than the date the completed resolution is received and approved by CalPERS.
- VI. That the governing body of the _____ {Employer} shall participate in and adhere to requirements and restrictions of the pre-tax payroll deduction plan by reporting pre-tax payroll deductions when authorized by CalPERS for those employees of the above stated employee groups or classifications who have elected to participate in this plan.

PASSED AND ADOPTED by the governing body of the _____ {Employer}
this ____ day of _____, _____. {year}

BY _____
(Signature of Official)

(Title of Official)

RETURN ADDRESS:

FOR CALPERS USE ONLY

Pre-tax payroll deduction plan effective date:

pproved By: _____ **Title:**

MEMBER SERVICES DIVISION, Service credit section-Unit 830

PAYROLL REPORTING ELEMENTS

INTRODUCTION

All elements involved in a payroll entry are identified and explained in this part. The same elements are used for all payroll reporting methods in essentially the same way.

The chart Payroll Reporting Element Relationships (this section) shows the relationship among the payroll reporting elements based on the type of contributions being reported.

CONTRIBUTION AMOUNT

“**Contribution Amount**” is the monetary amount of contributions to be posted to the member’s account for each payroll entry. Survivor contributions are reported as a separate element.

The element is a positive or negative numeric value up to six digits in length (e.g., \$1,350.00).

For a description of how normal member contributions are calculated, see “Basic Contribution Calculation” (this section).

CONTRIBUTION CODE

“**Contribution Code**” is a two-digit numeric code which identifies the type of contributions being reported. It is the key to each payroll transaction. Only the following codes in the chart below may be used.

Please note that only contribution codes 01, 11, 03, and 13 will generate service credit for the member.

CONTRIBUTION RATE

“**Contribution Rate**” is the percentage used to calculate the contribution amount (along with member earnings and a modification factor, if applicable). It is a four-digit positive numeric value (e.g., report seven percent as 0700).

Contribution rate is found in the Annual Employer Statement. If an employer pays any portion of the member’s contributions, the total percentage due, not just the amount the member pays, should be used for this element.

Contribution Codes		
After Tax ⁺	Pre-Tax ⁺⁺	
01	11	Normal Current Contributions
02	12	Prior Period Contribution Adjustment
03	13	Prior Period Earnings Adjustment
04	14 ^{**}	Contribution Receivable [*]
05	15	Retroactive Salary Adjustment
06	16	Special Compensation
07	—	Prior Period Survivor Contribution Adjustment
08 ^{***}	—	Employee-Paid Additional Contributions
09 ^{***}	—	Employer-Paid Additional Contributions
⁺ The member pays their own contributions. ⁺⁺ The member pays their own contributions, but the employer has adopted the IRC 414(h)(2) resolution that is on file with CalPERS which allows the member contributions to be reported on a tax deferred basis; OR the employer pays the member contributions and the EPMC resolution is on file with CalPERS. [*] Do not withhold contributions until instructed by CalPERS ^{**} Agency must file a resolution with CalPERS prior to reporting pre-tax contributions receivable. See ‘pre-tax payroll deduction plan for service credit purchase’ in General Information section of this chapter. ^{***} Must be established prior to July 1, 1983.		

PAYROLL REPORTING ELEMENTS

COVERAGE GROUP

“**Coverage Group**” is a five-digit numeric code which is assigned by CalPERS to identify a specific group of employees within an agency.

Coverage groups are uniquely assigned for each agency. Refer to the Annual Employer Statement for the coverage groups applicable to your agency. Only the coverage groups shown will be accepted on payroll reports to CalPERS.

To find the coverage group that applies to a particular member, first determine the major category or type of employment. Next, refer to the description of the coverage groups and use the one that applies.

MEMBER EARNINGS

“**Member Earnings**” is compensation earnable that a member is paid for services only during normal working hours. **See GENERAL INFORMATION FOR ALL REPORTING METHODS** for description of compensation to be reported to CalPERS.

The element is a positive (or negative) numeric value up to seven digits in length, e.g., \$10,500.00.

NOTE: School members who are employed under less-than-full year contracts should be reported no differently than members who are employed under full year contracts. All salary withheld for the purpose of continuing salary payments during periods in which the member renders no service should be reported when earned rather than when actually paid.

MEMBER NAME

“**Member Name**” identifies the member’s last name, initial of first name, and initial of middle name.

The member’s last name must be at least two alpha characters in length and cannot exceed ten characters in length. Member’s first initial must be one alpha character in length.

Member’s middle initial must be either one alpha character or blank. Member’s name should be arranged in alphabetical order within each unit on your payroll.

PAY CODE

“**Pay Code**” is a two-digit numeric code which designates the wage base on which a member is paid. It must be one of the following:

01	Monthly Pay Rate
02	Monthly Pay Rate (used by L.A. City Unified and L.A. Community College Districts)
04	Hourly Pay Rate
08	Daily Pay Rate
09	Miscellaneous Pay Rate (for reporting special compensation only)

PAY RATE

“**Pay Rate**” is the normal monthly rate of pay or base pay of the member, paid in cash to similarly situated members of the same group or class of employment for services rendered on a full time basis during normal working hours. It can be an hourly, daily, or monthly rate.

Always use the member’s FULL-TIME pay rate.

The pay rate must be a positive numeric value and cannot exceed eight digits in length (e.g., 99999.999). CalPERS requires that pay rates be reported with **three places** after the decimal. For example:

- An hourly rate of \$5.78 and one-half would be reported as 5.785
- A daily rate of \$60.00 would be reported as 60.000.

For further information on reporting pay rates, see **PAY RATE/EARNINGS RELATIONSHIP** in this section.

PAYROLL REPORTING ELEMENTS

SERVICE PERIOD

“**Service Period**” is a five-digit numeric code that identifies the month, year, and type of payroll period for which the transaction is being reported.

The **first two digits** of the service period identify the month in which the service period ends. The ending date is the last date of service for which compensation was earned, regardless of the date the actual salary payment was made.

Examples

- a. Monthly report for April
(service period ends in April) 04-04-0

- b. Bi-weekly report for period September 18 through October 1 (last day of service period determines month of the report) 10-04-3

The **third and fourth** digits identify the year in which the service period ends. Only the last two digits of the year are used.

Example

- a. Monthly report for December 2004 (service period ends in 2004) 12-04-0

The **fifth** digit indicates the frequency of the payroll report and the chronological sequence within the month. All payroll reports to CalPERS must be submitted under one of the following types:

NUMBER OF PAYROLL			
Frequency	# of Payroll Periods/Year	Type Code	Description
Monthly	12	0	
Semi-monthly	24	1	First half of month (1 st through 15 th)
		2	Second half of the month (16 th through the end of the month)
Bi-weekly	26	3	First report in the month (ending on the 1 st through the 14 th)
		4	Second report in the month (ending on the 15 th through the 28 th)
		5	Third report in the month (occurs whenever service period ending dates are 29, 30, or 31)
Quadri-weekly	13	6	First report in the month (ending on the 1 st through the 28 th)
		7	Second report in the month (occurs whenever the service period ending dates are 29, 30 or 31)

NOTE: Changes in the frequency in which payroll reports are submitted must be approved by CalPERS in advance. If you have questions regarding changing payroll frequencies, contact the Employer Contact Center at (888) CalPERS.

PAYROLL REPORTING ELEMENTS

SOCIAL SECURITY NUMBER

“**Social Security Number**” must be a positive numeric value nine digits in length. It must be present on all transactions because it is used as the major source of member identification. Verify the Social Security Number with the Social Security card or the Member Action Request (AESD-1). Social Security numbers beginning with 8 or 9 are invalid and will not be accepted.

In the event the Social Security Number was reported incorrectly on the AESD-1 and correspondingly on the payroll reports, notify the Actuarial and Employer Services Division. Include in the correspondence the incorrect number, the correct number, the member's name, and a copy of the member's Social Security card.

If membership was established with the correct number, but an incorrect number has been reported on the payroll reports for one or more service periods, begin using the correct number on the next payroll report. Notify the Employer Contact Center at (888) CalPERS (225-7377).

SURVIVOR CONTRIBUTION

“**Survivor Contribution**” is the amount of contribution a member pays for the 1959 Survivor Benefit. Refer to the Annual Employer Statement or the Member Action Request Form (AESD-1) to determine if the member has this benefit. Members covered by the 1959 Survivor Benefit contribute the following amounts based on the reporting frequency:

Reporting Frequency	Contribution Each Service Period
Monthly	\$2.00
Semi-Monthly	\$1.00
Bi-weekly	\$0.93
Quadri-weekly	\$1.86

When the member is covered, the survivor contribution should always be shown as a three-digit numeric value. It may be positive or negative depending on the circumstances.

The 1959 Survivor Benefit provides for a survivor benefit upon death of the member before retirement. In most cases, a member does not have both 1959 Survivor Benefit coverage and Social Security coverage with a single employer. Contact the Employer Contact Center if you have questions.

The full amount of survivor contribution is due for a service period even if only one day's earnings are reported. Make only one deduction each service period. The contribution is not due on retroactive or special compensation entries (Contribution Codes 05, 15, 06 or 16).

If a member does not receive any compensation for a service period because of an official leave of absence, no contribution is due for that service period.

Entries adjusting the survivor contributions should be included as part of the current entries or prior period earnings adjustment entries (Contribution Codes 01, 11, 03, and 13). If adjustments are more than \$9.99, additional adjustments may be made on a separate entry using Contribution Code 07.

The survivor contribution is **not** credited to the member's account and is not refundable.

PAYROLL REPORTING ELEMENTS

UNIT CODE

“Unit Code” identifies a group or unit of employees within an employer. If used, it must be three numeric digits and must be reported consistently for a member. When a member transfers to a new unit code within an employer, begin reporting the new unit code on the next payroll report.

Unit codes can provide easier member identification and payroll balancing. A separate unit code for each of the following groups should be used:

1. Elected/Appointed Officials.
2. Trial Court Employees (Unit Code 888).
3. Coverage groups (when more than one is used).
4. Employees hired to work less than 40 hours per week (work schedule code should reflect this also).
5. Employees hired to work more than 40 hours per week (change work schedule code).
6. Employees with unusual/irregular duties.

The Unit Code is optional for all employers except county schools. County schools must use the unit codes found in the Annual Employer Statement.

WORK SCHEDULE CODE

“Work Schedule Code” is a 3-digit numeric code. It is a very important entry as it is used to calculate employer rate and member retirement. It identifies what you, the employer, consider to be full-time employment for employees in the same work group, such as by department or duties, but not by individual employee. Approved work schedule codes range from 34 to 60 hours per week. A work schedule code that is below 34 hours, or above 60 hours, must be submitted by resolution for CalPERS Board of Administration approval. The work schedule code typically will not vary from report to report.

The work schedule code must be reported for all payroll entries using contribution codes 01, 11, 03 and 13.

The monthly, hourly or daily *pay code* used for the payroll entry determines how you convert full-time employment into the appropriate work schedule code.

WORK SCHEDULE CODE EXAMPLES:

Pay Code

Monthly — 01

Use the following formula to determine the work schedule code for a full-time **monthly** paid employee:

$$\frac{\# \text{ hours per week} \times 52 \text{ weeks per year}}{12 \text{ months per year}}$$

1. Your full-time 40 hours per week paid employees work an average of 173 hours per month

$$\frac{40 \text{ hours per week} \times 52 \text{ weeks per year}}{12 \text{ months per year}} = 173$$

2. Your full-time 35 hours per week paid employees work an average 152 hours per month

$$\frac{35 \text{ hours per week} \times 52 \text{ weeks per year}}{12 \text{ months per year}} = 152$$

NOTE: When using monthly work schedule codes always round to the nearest whole number.

Hourly — 04

1. Your full-time hourly paid employees work an average of 40 hours per week = 400
2. Your full-time hourly paid employees work an average of 37.5 hours per week = 375

PAYROLL REPORTING ELEMENTS

WORK SCHEDULE CODE EXAMPLES (CONTINUED):

Pay Code

Daily — 08

- | | |
|---|-------|
| 1. Your full-time daily paid employees work an average of 5 days per week | = 050 |
| 2. Your full-time daily paid employees work an average of 4.5 days per week | = 045 |

NOTE: A decimal point is implied between the second and third position of hourly and daily work schedule codes.

Miscellaneous — 09

Work schedule code is **NEVER** required.

PAY CODE/PART-TIME EMPLOYEES

A part-time employee's work schedule code is based on what is considered full-time employment for employees in the same work group.

For example, your part-time hourly paid employee works an average of 20 hours per week but may work more hours as needed. If employees in the same group are allowed to work up to 40 hours per week, then the work schedule code is 400 (*not* 200).

Note: Council Members and City Attorneys would have the same work schedule code as the regular full-time employees within your agency even if their pay is based on the number of meetings they attend.

SELECTING AND REPORTING CONTRIBUTION CODES

The contribution code is the **key** to identifying which payroll reporting elements are necessary for a payroll entry. This part provides definitions and examples of each contribution code to enable you to determine which contribution code to use and how to make the payroll entry for that code.

Contribution codes with “0” as the first digit designate **member normal (after tax) contributions**. Codes with “1” as the first digit designate **tax deferred contributions paid by the member or employer**.

CONTRIBUTION CODES 01 AND 11 – NORMAL CURRENT CONTRIBUTIONS

Contributions paid by the member or employer on their normal regular earnings, for the current service period.

Example 1: John A. Williams earns \$2000.00 per month and pays his own tax deferred member contributions. Report his normal regular monthly earnings as follows:

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Paid Rate	Contribution Code	Contribution Amount	Survivor Contrib Amount	Work Sched Code	Unit Code	Member Contribution Code	Contribution Amount
000-00-0000	Williams	J	A	70001	07	04	0	01	2,000.00	2,000.00	0.0700	00	.00	0	173	000	11	140.00

If a person receives a salary increase or decrease during the current service period, then both pay rates must be reported. This will require two line entries, reporting the proper amount earned under each pay rate.

Example 2: John then receives a pay increase of \$200.00 effective in the middle of the next monthly service period. To ensure full crediting of service, report this mid-service period pay raise using two entries as follows:

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Paid Rate	Contribution Code	Contribution Amount	Survivor Contrib Amount	Work Sched Code	Unit Code	Member Contribution Code	Contribution Amount
000-00-0000	Williams	J	A	70001	07	04	0	01	2,000.00	1,000.00	0.0700	00	.00	0	173	000	11	70.00
000-00-0000	Williams	J	A	70001	07	04	0	01	2,200.00	1,100.00	0.0700	00	.00	0	173	000	11	77.00

SELECTING AND REPORTING CONTRIBUTION CODES

CONTRIBUTION CODES 02 AND 12 – PRIOR PERIOD CONTRIBUTION ADJUSTMENT

An adjustment is necessary to correct an error on a member's contribution amount when either an incorrect rate was applied or an error in calculation was made.

A single contribution code 02 or 12 entry can be used to correct contribution errors for more than one service period by entering the earliest service period being adjusted. Should CalPERS discover the error, the employer will be requested to make the adjustment on the next payroll report. Should the employer discover the error, the adjustment should be made on the next payroll report without waiting for notification from CalPERS.

There are two ways to use contribution code 02 or 12.

No. 1 – to report contributions incorrectly calculated

Example: Karen M. Wong's contributions for the second semi-monthly June 2004 service period were calculated incorrectly; an overpayment of \$9.50 was made. Karen pays all of the tax deferred member contributions. Correct this overpayment as follows:

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Paid Rate	Contribution Code	Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Code	Contribution Amount
000-00-0000	Wong	K	M	70001	06	04	2	00	.000	.000		00	.00	0	000	000	12	-9.50

No. 2 – contributions reported in the wrong field (Normal (After Tax) or Tax Deferred Member Contributions (TDMC))

An adjustment is necessary to correct member contributions previously reported in error as normal (after tax) member or as tax deferred contributions. Should the employer discover the error, use the following example(s) to correct the member account. A single entry using contribution codes 02 and 12 can be used to correct contributions reported in the wrong field for more than one service period.

Example: James T. Sullivan's contributions were tax deferred beginning with the 07/2002/3 bi-weekly pay period. However, they were reported as member normal (after tax) contributions. The employer did not discover the error until the 07/2004/3 payroll was being prepared. Correct the 07/2002/3 through 06/2004/4 service periods as follows:

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Paid Rate	Contribution Code	Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Code	Contribution Amount
000-00-0000	Sullivan	J	T	70001	07	02	3	00	.000	.00		02	-3,360.00	0	000	000	12	3,360.00

SELECTING AND REPORTING CONTRIBUTION CODES

The same entry would be used to correct prior period contributions reported in error as tax deferred when they were actually normal (after tax) member contributions from the 07/2003/3 through 06/2004/4 bi-weekly service periods for Edith R. Johnson, as shown in the example below.

Social	Member Name	Coverage	Service Period	Pay	Pay	Member	Member	Paid Contribution	Survivor	Work	Tax-Deferred							
Security	Last Name	F	M	Group	Mo	Year	Type	Code	Rate	Earnings	Rate	Code	Amount	Contrib	Schd	Unit	Member	Contribution
Number														Amount	Code	Code	Code	Amount
000-00-0000	Johnson	E	R	70001	07	03	3	00	.000	.00		02	1,680.00	0	000	000	12	-1,680.00

SELECTING AND REPORTING CONTRIBUTION CODES

CONTRIBUTION CODES 03 AND 13 – PRIOR PERIOD EARNINGS ADJUSTMENT

Member earnings reported in arrears and adjustments to correct pay rates and/or earnings previously reported in error.

When contribution code 03 or 13 is used to report corrections for more than once service period, you must use a separate transaction for each service period so that CalPERS can properly credit service to a member's account.

A non-current service period must be entered for every code 03 or 13 transaction. Be sure to use the coverage group code that applied to the member during the service period being corrected (Annual Employer Statement, Item B Group Name).

There are three ways to use contribution code 03 or 13.

No. 1 – to report earnings in arrears, i.e., when a member was erroneously omitted from a pervious payroll report

Enter the transaction as it should have read, using the correct previous service period and contribution code 03 or 13.

Example: Barry Myers began working June 1, 2004, but was not included on the June 2004 monthly payroll report. Barry's employer pays his entire tax deferred member contributions. Report his earnings as follows:

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Code	Contribution Amount
000-00-0000	Myers	B	P	70001	06	04	0	04	15.000	2,600.00	0.0700	00	.00	0	400	000	13	182.00

No. 2 – to correct pay rate and earnings or an entire entry that was previously reported in error

Enter the original transaction including the original service period, but use contribution codes 03 or 13 and report member earnings, contribution amount and survivor contribution as negative amounts. This removes the incorrect entry. Now enter the correct transaction, again using the original service period and contribution code 03 or 13. If a non-member was reported in error, reverse out the original entry and stop there.

Example: Maria R. Santos was reported incorrectly for the first bi-weekly January 2004 service period as a miscellaneous member (coverage group code 70001). She became a police officer on January 1, 2004 (coverage group code 75001). Member contributions are paid by the member for miscellaneous service but paid by the employer for police officers. Correct this error as follows:

SELECTING AND REPORTING CONTRIBUTION CODES

Social Security Number	Member Name			Coverage Group	Service Period			Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Contribution Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred	
	Last Name	F	M		Mo	Year	Type										Member Code	Contribution Amount
000-00-0000	Santos	M	R	70001	01	04	3	01	3,000.000	-1,384.62	0.0700	03	-96.92	-0.93	173	100	00	.00
000-00-0000	Santos	M	R	75001	01	04	3	01	3,000.000	1,384.62	0.0900	00	.00	0.93	173	200	13	124.62

No. 3 – to increase or decrease the amount of earnings previously reported

This method is used to correct earnings and contribution amount. If the pay rates, service period and/or coverage group code needs to be corrected, use Method no. 2.

Make an entry which includes the original service period, coverage group code, and pay rate; report the difference in earnings and contributions using contribution code 03 or 13. Multiply earnings by contribution rate to get the correct contribution amount, modifying for Social Security if it applies.

Example: Janice Brown was reported with earnings of \$1,250.00 for the first semi-monthly January 2004 service period. In February it was discovered that she was docked and her earnings for this January service period should have been \$1,000.00. Jane's employer pays half of her member contributions. The original payroll entry was:

Social Security Number	Member Name			Coverage Group	Service Period			Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Contribution Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred	
	Last Name	F	M		Mo	Year	Type										Member Code	Contribution Amount
000-00-0000	Brown	J		70001	01	04	1	01	2,500.000	1,250.00	0.0700	01	43.75	0	173	100	11	43.75

SELECTING AND REPORTING CONTRIBUTION CODES

The correcting contribution codes 03 and 13 entry on the February payroll should be:

Social Security Number	Member Name			Coverage Group	Service Period			Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Contribution	
	Last Name	F	M		Mo	Year	Type										Code	Amount
000-00-0000	Brown	J		70001	01	04	1	01	2,500.000	-250.00	0.0700	03	-8.75	0	173	100	13	-8.75

Or, the entire incorrectly reported entry may be reversed and reported correctly as follows:

Social Security Number	Member Name			Coverage Group	Service Period			Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Contribution	
	Last Name	F	M		Mo	Year	Type										Code	Amount
000-00-0000	Brown	J		70001	01	04	1	01	2,500.000	-1,250.00	0.0700	03	-43.75	0	173	100	13	-43.75
000-00-0000	Brown	J		70001	01	04	1	01	2,500.000	1,000.00	0.0700	03	35.00	0	173	100	13	35.00

SELECTING AND REPORTING CONTRIBUTION CODES

CONTRIBUTION CODES 04 AND 14 – CONTRIBUTION RECEIVABLE

Contributions a member makes for redepositing contributions previously withdrawn, contributions for purchasing service credit, or other special instances where a receivable is necessary.

A contribution code 04 or 14 entry may ONLY be used after CalPERS has established the receivable and has sent the employer an Authorization for Contribution and/or Rate Adjustment Form (PERS-MEM-823A). The PERS-MEM-823A will identify:

- A) the member
- B) the date the deduction should begin
- C) the amount of the deduction
- D) the total number of payments required

In addition, the code 14 (tax deferred) entry may only be used after filing a resolution with CalPERS. See 'General Information' in this section.

Members may have more than one receivable deduction at any given time. Each MUST be reported as a separate transaction.

The receivable will be included on the Payroll Listing and Summary Report (PERS-AESD-626). Code 04 will be included in the "member normal contributions" field and Code 14 in the "tax deferred contributions" field.

Report the receivable only in the exact amount authorized by the PERS-MEM-823A. Never combine a receivable with any other type of contribution. If it becomes necessary to report a receivable retroactively, enter the applicable service period and make a separate entry for each period. Be sure to report the receivable using the coverage group code specified on the PERS-MEM-823A.

Begin the deduction on the date shown on the PERS-MEM-823A, and continue to take deductions without interruption until all of the payments have been made. Failure to do this could result in additional cost to the member.

Example: Celia B. Williams elects to redeposit previously withdrawn CalPERS contributions. The employer has received the PERS-MEM-823A form from CalPERS authorizing a \$152.71 bi-weekly after tax payment. Report the receivable as follows:

Social Security Number	Member Name			Coverage Group	Service Period			Pay Code	Pay Rate	Member Earnings	Member Paid Rate	Contribution Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Code	Contribution Amount
000-00-0000	Williams	C	B	70001	07	04	3	00	.000	.00		04	152.71	0	000	000	00	.00

SELECTING AND REPORTING CONTRIBUTION CODES

Example: Michael W. Rogers elects to purchase Service Prior to Membership and Military Service Credit. His employer has received two PERS-MEM-823A forms from CalPERS authorizing an \$89.56 semi-monthly tax deferred payment for the Service Prior to Membership and a \$162.58 semi-monthly tax deferred payment for the Military Service Credit. Contribution Receivables should never be combined and must be reported with separate payroll entries as follows:

Social Security Number	Member Name			Coverage Group	Service Period			Pay Code	Pay Rate	Member Earnings	Member Rate	Member Paid Contribution Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Member Code	Tax-Deferred Contribution Amount
000-00-0000	Rogers	M	W	70001	07	04	1	00	.000	.00		00	.00	0	000	000	14	89.56
000-00-0000	Rogers	M	W	70001	07	04	1	00	.000	.00		00	.00	0	000	000	14	162.58

CONTRIBUTION CODES 05 AND 15 – RETROACTIVE SALARY ADJUSTMENT

An entry for reporting contributions based on earnings received because of a retroactive salary adjustment.

A single contribution code 05 or 15 entry may be used to report a retroactive salary adjustment covering previous service periods. The service period should reflect the earliest service period involved in the adjustment. The transaction should have the member's new pay rate and the total additional earnings and contributions for the period; i.e., report the difference in earnings and contributions. When more than one pay rate is involved in the retroactive adjustment, report a single entry for each new pay rate.

No modification factor should be applied to retroactive salary adjustments.

Example: Richard Benson was granted a retroactive salary increase effective January 1, 2004. His old pay rate was \$2,200.00 monthly; his new pay rate is \$2,400.00 monthly. The current monthly service period is July 2004. Richard Benson's employer pays his entire member contributions. Report this retroactive increase with a single entry as follows:

Social Security Number	Member Name			Coverage Group	Service Period			Pay Code	Pay Rate	Member Earnings	Member Rate	Member Paid Contribution Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Member Code	Tax-Deferred Contribution Amount
000-00-0000	Benson	R	T	70001	01	04	0	01	2,400.000	1,200.00	0.0700	00	.00	0	173	000	15	84.00

SELECTING AND REPORTING CONTRIBUTION CODES

CONTRIBUTION CODES 06 AND 16 – SPECIAL COMPENSATION

Note: The corresponding pay code “09” must be used with contribution code 06 or 16.

Contributions for special compensation items, such as additional pay for hazardous duty, bonuses, incentives, or payments received for services rendered on other than a monthly, hourly, or daily basis.

Example: Glenda Adams received a \$100.00 uniform allowance for the 07/2004/4 service period. Glenda pays her own tax deferred member contributions. Pay rate is always equal to earnings when reporting special compensation. Report the entry as follows:

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Paid Rate	Contribution Code	Contribution Amount	Survivor Contrib Amount	Work Sched Code	Unit Code	Tax-Deferred Member Code	Contribution Amount
000-00-0000	Adams	G	S	75001	07	04	4	09	100.000	100.00	0.0900	00	.00	0	000	000	16	9.00

CONTRIBUTION CODE 07 – PRIOR PERIOD SURVIVOR CONTRIBUTION ADJUSTMENT

An adjustment necessary to correct an error in the Survivor Contribution for a member. Current Survivor Contributions should be reported with the regular line entry.

A single contribution code 07 entry may be used to correct multiple reporting errors by accumulating the Survivor Contribution amount for each service period into one total amount (not to exceed \$9.99) and entering the earliest service period being adjusted.

Example: Bradley L. Jones' Survivor Contributions were not reported for the May and June 2004 monthly service periods. Report the contributions for both service periods as follows:

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Paid Rate	Contribution Code	Contribution Amount	Survivor Contrib Amount	Work Sched Code	Unit Code	Tax-Deferred Member Code	Contribution Amount
000-00-0000	Jones	B	L	75001	05	04	0	00	.000	.00		07	.00	4.00	000	000	00	.00

SELECTING AND REPORTING CONTRIBUTION CODES

CONTRIBUTION CODE 08* - EMPLOYEE PAID ADDITIONAL CONTRIBUTIONS

Only applies to members who have had this payment made continuously prior to July 1, 1983. It does not apply to receivables, retroactive pay increases, adjustments in contributions or special compensation.

Additional contributions are paid voluntarily by the member. No additional service is credited. These contributions cannot be tax deferred.

To make additional contributions to CalPERS, a member must have obtained authorization from CalPERS via the MEM-13 form.

Example: Laura Jensen contributes an additional \$50.00 to CalPERS each month. Report these additional contributions as follows:

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Paid Contribution Rate	Code	Amount	Survivor Contrib Amount	Work Sched Code	Unit Code	Member Contribution Code	Amount
000-00-0000	Singer	L	P	00000	07	04	0	00	.000	.00		09	30.00	0	000	000	00	.00

*Accounts for additional contributions, either member or employer paid, are no longer available to members unless the account was established prior to July 1, 1983. After that date, members and employers who make contributions into "additional" accounts may not change the contribution amount in any way. The only option available to them is to stop making additional contributions altogether.

SELECTING AND REPORTING CONTRIBUTION CODES

CONTRIBUTION CODE 09* - EMPLOYER PAID ADDITIONAL CONTRIBUTIONS

Only applies to members who have had this payment made continuously prior to July 1, 1983. It does not apply to receivables, retroactive pay increases, adjustments in contributions or special compensation.

Additional contributions are paid into the member's account by the employer. No additional service is credited.

To make additional contributions to CalPERS, the employer must have received authorization from CalPERS via a resolution.

Example: Larry Singer's employer pays additional contributions in the amount of \$30.00 per month for each employee. Report the employer paid additional contributions for Larry Singer as follows:

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Paid Contribution Rate	Code	Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Contribution Code	Amount
000-00-0000	Singer	L	P	00000	07	04	0	00	.000	.00		09	30.00	0	000	000	00	.00

*Accounts for additional contributions, either member or employer paid, are no longer available to members unless the account was established prior to July 1, 1983. After that date, members and employers who make contributions into "additional" accounts may not change the contribution amount in any way. The only option available to them is to stop making additional contributions altogether.

CONTRIBUTION REPORTING PROCEDURES

EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC) CONVERTED TO BASE SALARY IN FINAL COMPENSATION PERIOD (LAST 12 OR 36 MONTHS OF EMPLOYMENT)

Example: Christine Perez receives \$2,000 per month and the employer pays the tax deferred member contributions at seven percent of salary (EPMC) for the entire group or class of employees until their final compensation period. The employer has amended their contract with CalPERS so that the EPMC is converted to salary and tax deferred member contributions are paid by all employees in a group or class in their final compensation period (Government Code Section 20692). The following example is how Christine's payroll is reported prior to her final compensation period (the employer pays the tax deferred member contributions on her behalf):

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Paid Rate	Contribution Code	Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Code	Contribution Amount
000-00-0000	Perez	C	A	70001	06	04	0	01	2,000.000	2,000.00	0.0700	00	.00	0	173	000	11	140.00

Christine has informed her employer that she will be retiring and the EPMC is converted to salary and she now pays her own tax deferred member contributions during the final compensation period as shown below:

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Paid Rate	Contribution Code	Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Code	Contribution Amount
000-00-0000	Perez	C	A	70001	07	04	0	01	2,140.000	2,140.00	0.0700	00	.00	0	173	000	11	149.80

PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC) AS SPECIAL COMPENSATION

Example: James Lee receives \$2,000.00 per month and the employer pays the tax deferred member contributions at seven percent of salary (EPMC) for the entire group or class of employees. The employer has agreed to report the value of the EPMC as special compensation for the entire group and has adopted a formal resolution to this effect and submitted it to CalPERS (Government Code Section 20636(c)(4)). It is reported as an additional special compensation payroll entry as follows:

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Paid Rate	Contribution Code	Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Code	Contribution Amount
000-00-0000	Lee	J	R	70001	07	04	0	01	2,000.000	2,000.00	0.0700	00	.00	0	173	000	11	140.00
000-00-0000	Lee	J	R	70001	07	04	0	09	140.000	140.00	0.0700	00	.00	0	000	000	16	9.80

CONTRIBUTION REPORTING PROCEDURES

TAX DEFERRED CONTRIBUTIONS

Tax deferred contributions paid by the employee (“Employer Pick-up” under IRC Section 414(h)(2)).

Example: Anita Jones receives \$2,000 per bi-weekly service period and pays her own contributions at seven percent of salary. The entire group or class has elected to have their member contributions tax deferred and have adopted the IRC Section 414(h)(2) plan (“Employer Pick-up” of contributions).

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Contribution Code	Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Member Code	Contribution Amount
000-00-0000	Jones	A	B	70001	07	04	3	04	25.000	2,000.00	0.0700	00	.00	0	400	000	11	140.00

Tax deferred contributions paid by the employer (Employer Paid Member Contributions (EPMC)).

Example: Kevin Martinez receives \$2,000 per monthly service period and the employer pays the tax deferred member contributions at seven percent of salary (EPMC) for the entire group or class of employees (Government Code Section 20691).

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Contribution Code	Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Member Code	Contribution Amount
000-00-0000	Martinez	K	D	70001	07	04	0	01	2,000.000	2,000.00	0.0700	00	.00	0	173	000	11	140.00

SCHOOLS PAYROLL REPORTING

Due to legislation, AB 2177 (Chapter 1030, Statutes of 2000), effective January 1, 2001, there is no longer a Social Security offset for retirement contributions and benefit payments for school members who are coordinated with Social Security. School members who are not coordinated with Social Security are not impacted by this legislation. Below are examples of payroll reporting prior to implementation of AB 2177, and after implementation of AB 2177.

PRIOR TO AB 2177 (SERVICE PRIOR TO JANUARY 1, 2001)

This example shows both a monthly and an hourly employee with the modification of Social Security.

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Member Code	Contribution Amount
000-00-0000	Williams	J	A	60002	12	00	0	01	2,000.00	2,000.00	0.0700	00	.00	0	173	099	11	130.67
000-00-0000	Adams	C	R	60002	12	00	0	04	12.00	2,080.00	0.0700	00	.00	0	400	099	11	136.27

AB 2177 IMPLEMENTED (SERVICE ON OR AFTER JANUARY 1, 2001)

This example shows the same employees without the modification for Social Security, as they should be reported due to the implementation of AB 2177.

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Member Code	Contribution Amount
000-00-0000	Williams	J	A	60002	01	01	0	01	2,000.00	2,000.00	0.0700	00	.00	0	173	099	11	140.00
000-00-0000	Adams	C	R	60002	01	01	0	04	12.00	2,080.00	0.0700	00	.00	0	400	099	11	145.60

BASIC CONTRIBUTION CALCULATION

This section defines the basic method of calculating member normal contributions. It does not apply to receivables or additional contributions.

The method of calculating the member's normal contributions varies depending upon the member's contribution rate, provisions of the employer contract and whether or not the member has Social Security coverage. However, the following basic instructions apply to *all* members:

- Step 1: Locate in the Annual Employer Statement the coverage group which applies to the member.
 Step 2: Check the Annual Employer Statement, section D "Retirement coverage – contribution rate" under the proper coverage group. One of the following will be found:
- a. (percentage rate) "ALL EARNINGS"
 - b. (percentage rate) "MODIFIED EARNINGS"
 - c. "VRBL"

NOTE: If the member Contribution rate indicates 0%, report a zero contribution amount and stop here.

- Step 3: If (a) applies, multiply the member earnings reported by the percentage rate indicated in "Retirement coverage – contribution rate".
 If (b) applies, modify the member **total** earnings **each service period (regular earnings and special compensation)** using the OASDI Modification Chart below. Multiply the modified earnings by the percentage rate indicated in "Retirement coverage – contribution rate".

NOTE: Employees working in two or more units will have a Social Security modification factor applied *only* once for the total earnings in the service period.

If (c) applies, the member earnings may or may not need to be modified. Check the Annual Employer Statement for the formula. Modify the **total** earnings **each service period (regular earnings and special compensation)** by the modification factor found on the Annual Employer Statement. Next, multiply the modified or unmodified earnings by the contribution rate. This rate is based upon the employee's nearest age at entry into safety service covered by this retirement formula. Verify the employee's age from the Member Action Request form, to determine the rate.

OASDI MODIFICATION CHART			
REPORTING FREQUENCY	IF EARNINGS ARE LESS THAN	IF EARNINGS ARE MORE THAN OR EQUAL TO	MISCELLANEOUS MEMBERS AND SAFETY MEMBERS REPORTED UNDER MODIFIED FORMULAS
MONTHLY	\$400.00	XXXXXX	EARNINGS X 0.66667 X RATE
	XXXXXX	\$400.00	EARNINGS MINUS \$133.33 X RATE
SEMI-MONTHLY	\$200.00	XXXXXX	EARNINGS X 0.66667 X RATE
	XXXXXX	\$200.00	EARNINGS MINUS \$66.67 X RATE
BI-WEEKLY	\$184.00	XXXXXX	EARNINGS X 0.66667 X RATE
	XXXXXX	\$184.00	EARNINGS MINUS \$61.00 X RATE
QUADRI-WEEKLY	\$369.00	XXXXXX	EARNINGS X 0.66667 X RATE
	XXXXXX	\$369.00	EARNINGS MINUS \$123.00 X RATE

NOTE: CSUC Auxiliary Organizations which contract for the same contribution rate and modification factors as State Miscellaneous members will calculate contributions according to the formula applicable (Government Code Section 20680). The Annual Employer Statement will indicate this option. It also provides the modification table to be used.

NOTE: Do not apply the full OASDI modification factor more than once per pay period. If total earnings (regular pay rate and special compensation) is less than earnings on the OASDI modification chart, all earnings will be modified by .66667 to calculate member contributions.

CONTRIBUTION REPORTING PROCEDURES

Monthly Reporting Frequency

“F” (Full) or “S” (Supplemental)

Earnings x Member Contribution Rate = Member Contributions

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Code	Contribution Amount
000-00-0000	Adams	B	C	70001	07	04	0	01	2,000.00	2,000.00	0.0700	00	.00	0	173	000	11	140.00
000-00-0000	Adams	B	C	70001	07	04	0	09	200.00	200.00	0.0700	00	.00	0	000	000	16	14.00

“F” (Full) and 1959 Survivor Contribution \$2.00 (if applicable, see PAYROLL REPORTING ELEMENTS; Survivor Contribution)

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Code	Contribution Amount
000-00-0000	Adams	B	C	70001	07	04	0	01	2,000.00	2,000.00	0.0700	00	.00	2.00	173	000	11	140.00

“M” (Modified) Apply the following OASDI earnings modification factors:

Total Earnings (\$400.00 and over) - \$133.33 x Member Contribution Rate = Member Contributions

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Code	Contribution Amount
000-00-0000	Baker	C	D	70001	07	04	0	04	11.540	2,000.00	0.0700	00	.00	0	400	000	11	130.67
000-00-0000	Baker	C	D	70001	07	04	0	09	200.000	200.00	0.0700	00	.00	0	000	000	16	14.00

BASIC CONTRIBUTION CALCULATION EXAMPLES

“M” (Modified) Apply the following OASDI earnings modification factors:

Total Earnings (\$399.99 and less) x 0.66667 x Member Contribution Rate = Member Contributions

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Member Paid Contribution Code	Member Paid Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Contribution Code	Tax-Deferred Member Contribution Amount
000-00-0000	Carter	D	E	70001	07	04	0	04	15.000	350.00	0.0700	00	.00	0	400	000	11	16.33
000-00-0000	Carter	D	E	70001	07	04	0	09	25.000	25.00	0.0700	00	.00	0	000	000	16	1.17

Note: Do not apply the full OASDI modification factor more than once per service period. If total earnings (regular pay rate and special compensation) are less than earnings on the OASDI modification chart, all earnings will be modified by 0.66667 to calculate member contributions.

Semi-Monthly Reporting Frequency

“F” (Full) or “S” (Supplemental) Earnings x Member Contribution Rate = Member Contributions

Social Security Contribution Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Member Paid Contribution Code	Member Paid Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Contribution Code	Tax-Deferred Member Contribution Amount
000-00-0000	Adams	B	C	70001	07	04	1	01	2,000.000	1,000.00	0.0700	00	.00	0	173	000	11	70.00

“F” (Full) and 1959 Survivor Contribution \$1.00 (if applicable, see PAYROLL REPORTING ELEMENTS; Survivor Contribution)

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Member Paid Contribution Code	Member Paid Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Contribution Code	Tax-Deferred Member Contribution Amount
000-00-0000	Adams	B	C	70001	07	04	1	01	2,000.000	1,000.00	0.0700	00	.00	1.00	173	000	11	70.00

BASIC CONTRIBUTION CALCULATION EXAMPLES

“M” (Modified) Apply the following OASDI earnings modification factors:

Total Earnings (\$200.00 and over) - \$66.67 x Member Contribution Rate = Member Contributions

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Member Code	Contribution Amount
000-00-0000	Baker	C	D	70001	07	04	1	04	11.540	992.44	0.0700	00	.00	0	400	000	11	64.80
000-00-0000	Baker	C	D	70001	07	04	1	09	100.000	100.00	0.0700	00	.00	0	000	000	16	7.00

“M” (Modified) Apply the following OASDI earnings modification factors:

Total Earnings (\$199.99 and less) x 0.66667 x Member Contribution Rate = Member Contributions

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Member Code	Contribution Amount
000-00-0000	Carter	D	E	70001	07	04	1	04	15.000	165.00	0.0700	00	.00	0	400	000	11	7.70
000-00-0000	Carter	D	E	70001	07	04	1	09	25.000	25.00	0.0700	00	.00	0	000	000	16	1.17

Note: Do not apply the full OASDI modification factor more than once per service period. If total earnings (regular pay rate and special compensation) are less than earnings on the OASDI modification chart, all earnings will be modified by 0.66667 to calculate member contributions.

BASIC CONTRIBUTION CALCULATION EXAMPLES

Bi-Weekly Reporting Frequency

“F” (Full) or “S” (Supplemental) Earnings x Member Contribution Rate = Member Contributions

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Contribution Code	Amount	Survivor Contrib Amount	Work Sched Code	Unit Code	Tax-Deferred Member Contribution Code	Amount
000-00-0000	Adams	B	C	70001	07	04	3	01	2,000.000	923.08	0.0700	00	.00	0	173	000	11	64.62

“F” (Full) and 1959 Survivor Contribution \$0.93 (if applicable, see PAYROLL REPORTING ELEMENTS; Survivor Contribution)

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Contribution Code	Amount	Survivor Contrib Amount	Work Sched Code	Unit Code	Tax-Deferred Member Contribution Code	Amount
000-00-0000	Adams	B	C	70001	07	04	3	01	2,000.000	923.08	0.0700	00	.00	.93	173	000	11	64.62

“M” (Modified) Apply the following OASDI earnings modification factors:

Total Earnings (\$184.00 and over) - \$61.00 x Member Contribution Rate = Member Contributions

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Contribution Code	Amount	Survivor Contrib Amount	Work Sched Code	Unit Code	Tax-Deferred Member Contribution Code	Amount
000-00-0000	Baker	C	D	70001	07	04	3	04	11.540	923.20	0.0700	00	.00	0	400	000	11	60.35
000-00-0000	Baker	C	D	70001	07	04	3	09	100.000	100.00	0.0700	00	.00	0	000	000	16	7.00

BASIC CONTRIBUTION CALCULATION EXAMPLES

“M” (Modified) Apply the following OASDI earnings modification factors:

Total Earnings (\$183.99 and less) x 0.66667 x Member Contribution Rate = Member Contributions

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Contribution Code	Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Contribution Code	Amount
000-00-0000	Carter	D	E	70001	07	2004	3	04	15.000	165.00	0.0700	00	.00	0	173	000	11	7.70
000-00-0000	Carter	D	E	70001	07	2004	3	09	25.000	25.00	0.0700	00	.00	0	000	000	16	1.17

Note: Do not apply the full OASDI modification factor more than once per service period. If total earnings (regular pay rate and special compensation) are less than earnings on the OASDI modification chart, all earnings will be modified by 0.66667 to calculate member contributions.

Quadri-Weekly Reporting Frequency

“F” (Full) or “S” (Supplemental) Earnings x Member Contribution Rate = Member Contributions

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Contribution Code	Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Contribution Code	Amount
000-00-0000	Adams	B	C	70001	07	04	6	01	2,000.000	1,846.15	0.0700	00	.00	0	173	000	11	129.23

“F” (Full) and 1959 Survivor Contribution\$1.86 (if applicable, see PAYROLL REPORTING ELEMENTS; Survivor Contribution)

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Contribution Code	Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Contribution Code	Amount
000-00-0000	Adams	B	C	70001	07	04	6	01	2,000.000	1,846.15	0.0700	00	.00	1.86	173	000	11	129.23

BASIC CONTRIBUTION CALCULATION EXAMPLES

“M” (Modified) Apply the following OASDI earnings modification factors:

Total Earnings (\$369.00 and over) - \$123.00 x Member Contribution Rate = Member Contributions

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Member Code	Contribution Amount
000-00-0000	Baker	C	D	70001	07	04	6	04	11.540	1,846.40	0.0700	00	.00	0	400	000	11	120.64
000-00-0000	Baker	C	D	70001	07	04	6	09	200.000	200.00	0.0700	00	.00	0	000	000	16	14.00

“M” (Modified) Apply the following OASDI earnings modification factors:

Total Earnings (\$368.99 and less) x 0.66667 x Member Contribution Rate = Member Contributions

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Member Code	Contribution Amount
000-00-0000	Carter	D	E	70001	07	04	6	04	15.000	330.00	0.0700	00	.00	0	400	000	11	15.40
000-00-0000	Carter	D	E	70001	07	04	6	09	25.000	25.00	0.0700	00	.00	0	000	000	16	1.17

Note: Do not apply the full OASDI modification factor more than once per service period. If total earnings (regular pay rate and special compensation) are less than earnings on the OASDI modification chart, all earnings will be modified by 0.66667 to calculate member contributions.

Employees working in two or more units will have a Social Security modification factor applied only once for the total earnings in the service period.

PAY RATE/EARNINGS RELATIONSHIP

Pay rate is the amount of compensation a member is paid for a unit of time (i.e., hour, day or month). The pay rate should remain stable throughout a fiscal year except for pay raises, demotions, or changes of position. If a member works in more than one position, has a raise in the middle of a pay period, or has a variable pay rate, report amounts earned under each pay rate separately.

An **hourly** pay rate is that rate of compensation to which an employee is entitled under an employment agreement which provides for compensation for each hour of regular time worked by the employee.

A **daily** pay rate for both a full-time and a part-time employee is that amount of compensation to which a full-time employee is entitled when the employee's services are performed under an employment agreement which provides for a daily rate of compensation.

A **monthly** pay rate for both a full-time and a part-time employee is that amount of

compensation to which a full-time employee is entitled, when the employee's services are performed under an employment agreement which provides for a monthly rate of compensation.

IMPACT ON FINAL BENEFITS

Reporting correct pay rates for your active members is essential in calculating correct member benefits at retirement. The three critical elements used in calculating retirement benefits are:

- 1) service credit
- 2) final compensation
- 3) age at retirement

Service credit and final compensation are directly related to the pay rate and earnings reported for the member. Service credit is derived from the pay rate and earnings reported. It is based on the way a member is paid.

EARNINGS DIVIDED BY PAY RATE EQUALS SERVICE CREDIT

Example:	1. <u>Member Earnings</u> Monthly Pay Rate	=	$\frac{\$ 1,200.00}{\$ 1,200.000}$	=	1.000 month of service credit
	2. <u>Member Earnings</u> Monthly Pay Rate	=	$\frac{\$ 600.00}{\$ 1,200.000}$	=	.500 month of service credit
	3. <u>Member Earnings</u> Hourly Pay Rate	=	$\frac{\$ 600.00}{\$ 7.500}$	=	80 hours of service credit
	4. <u>Member Earnings</u> Daily Pay Rate	=	$\frac{\$ 600.00}{\$ 30.000}$	=	20 days of service credit

A member in full-time employment will be credited with one year of service for any of the following:

- a) 10 months for those paid on a monthly basis;
- b) 215 days for those paid on a daily basis; or
- c) 1,720 hours for those paid on an hourly basis.

Partial credit will be given for those working less than the full amount of a, b, or c above. Service credited in hours, days or months is converted to

a percentage of a year at the end of each fiscal year. Service credit for each fiscal year is combined to arrive at total service credit.

Final compensation is the average monthly full-time *pay rate* reported for the three consecutive years of employment immediately preceding the last day on the payroll, unless the member designates another three year period in which the pay rate was higher. Some agencies contract with CalPERS for a one year average instead of the three year average.

FULL-TIME SERVICE CREDIT

As one of the major factors used in the retirement calculation, service credit is checked carefully for each payroll entry. CalPERS limits the amount of service credit for each entry to full-time. If you report excess service credit on a

payroll entry, CalPERS will send a service credit discrepancy notice. The following table provides the maximum full-time service credit for each type of pay rate (monthly, hourly, or daily) and each reporting frequency (monthly, semi-monthly, bi-weekly, or quadri-weekly).

MAXIMUM SERVICE CREDIT AMOUNT

Monthly Pay Rate*	Hourly Pay Rate*	Daily Pay Rate*	REPORTING FREQUENCY
1.000 month	160 to 184 hours**	20 to 23 days**	MONTHLY (12 pay periods per year)
.500 month	80 to 96 hours**	10 to 12 days**	SEMI-MONTHLY (24 pay periods per year)
.462 month	80 hours	10 days	BI-WEEKLY (26 pay periods per year)
.923 month	160 hours	20 days	QUADRI-WEEKLY (13 pay periods per year)

* Pay Rate *should not* fluctuate, unless the member receives a pay raise, a demotion, or change in position.

**Since monthly and semi-monthly service periods vary, the maximum hours and days will fluctuate. The hours and days shown here represent the highest range of amounts which could ever be reported for that frequency.

PAY RATE/EARNINGS RELATIONSHIP

FULL-TIME SERVICE CREDIT PAYROLL REPORTING EXAMPLES

Note: These examples are based upon a 40-hour work week.

A separate unit code and work schedule code should be used to report earnings for employees whose duties are based upon less than 40 hours per week.

Separate unit codes and work schedule codes should also be used to report employee earnings whose normal duties are in excess of 40 hours per week (refer to FLSA Premium Pay).

ALWAYS USE THE FULL-TIME PAY RATE. THE PAY RATE SHOULD NOT CHANGE EXCEPT WHEN A PAY RAISE, DEMOTION, OR CHANGE IN POSITION OCCURS.

MONTHLY SERVICE CREDIT (EARNINGS ÷ PAY RATE = SERVICE CREDIT)

<u>Pay Rate</u>	<u>Maximum Creditable Service</u>
Monthly	= 1.000 month
Hourly	= 184 hours
Daily	= 23 days

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Paid Rate	Contribution Code	Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Contribution Code	Amount	
000-00-0000	Adams	B	C	70001	07	04	0	01	2,000.000	2,000.00	0.0700	00	.00	0	173	000	11	140.00	= 1.000 month
000-00-0000	Baker	C	D	70001	07	04	0	04	11.540	2,123.36	0.0700	00	.00	0	400	000	11	148.64	= 184 hours
000-00-0000	Carter	D	E	70001	07	04	0	08	92.320	2,123.36	0.0700	00	.00	0	050	000	11	148.64	= 23 days

If a pay increase occurs in the same pay period, use separate payroll entries to reflect earnings based upon each pay rate.

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Paid Rate	Contribution Code	Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Tax-Deferred Member Contribution Code	Amount	
000-00-0000	Baker	C	D	70001	07	04	0	04	11.540	1,015.52	0.0700	00	.00	0	400	000	11	71.09	= 88 hours
000-00-0000	Baker	C	D	70001	07	04	0	04	12.500	1,200.00	0.0700	00	.00	0	400	000	11	84.00	= 96 hours
																			184 hours

PAY RATE/EARNINGS RELATIONSHIP

SEMI-MONTHLY SERVICE CREDIT (EARNINGS ÷ PAY RATE = SERVICE CREDIT)

<u>Pay Rate</u>	<u>Maximum Creditable Service</u>
Monthly	= 0.500 month
Hourly	= 96 hours
Daily	= 12 days

Social Security Number	Member Name			Coverage Group	Service Period			Pay Code	Pay Rate	Member Earnings	Member Paid Rate	Contribution Code	Contribution Amount	Survivor Contrib Amount	Work Sched Code	Unit Code	Tax-Deferred Member Contribution	Tax-Deferred Contribution Amount	
000-00-0000	Adams	B	C	70001	07	04	1	01	2,000.000	1,000.00	0.0700	00	.00	0	173	000	11	70.00	= 0.500 month
000-00-0000	Baker	C	D	70001	07	04	1	04	11.540	1,107.84	0.0700	00	.00	0	400	000	11	77.55	= 96 hours
000-00-0000	Carter	D	E	70001	07	04	1	08	92.320	1,107.84	0.0700	00	.00	0	050	000	11	77.55	= 12 days

If a pay increase occurs in the same pay period, use separate payroll entries to reflect earnings based upon each pay rate.

Social Security Number	Member Name			Coverage Group	Service Period			Pay Code	Pay Rate	Member Earnings	Member Paid Rate	Contribution Code	Contribution Amount	Survivor Contrib Amount	Work Sched Code	Unit Code	Tax-Deferred Member Contribution	Tax-Deferred Contribution Amount	
000-00-0000	Baker	C	D	70001	07	04	1	04	11.540	646.24	0.0700	00	.00	0	400	000	11	45.24	= 56 hours
000-00-0000	Baker	C	D	70001	07	04	1	04	12.500	500.00	0.0700	00	.00	0	400	000	11	35.00	= <u>40 hours</u> 96 hours

BI-WEEKLY SERVICE CREDIT (EARNINGS ÷ PAY RATE = SERVICE CREDIT)

<u>Pay Rate</u>	<u>Maximum Creditable Service</u>
Monthly	= 0.462 month
Hourly	= 80 hours
Daily	= 10 days

Social Security Number	Member Name			Coverage Group	Service Period			Pay Code	Pay Rate	Member Earnings	Member Paid Rate	Contribution Code	Contribution Amount	Survivor Contrib Amount	Work Sched Code	Unit Code	Tax-Deferred Member Contribution	Tax-Deferred Contribution Amount	
000-00-0000	Adams	B	C	70001	07	04	3	01	2,000.000	923.08	0.0700	00	.00	0	173	000	11	64.62	= 0.462 month
000-00-0000	Baker	C	D	70001	07	04	3	04	11.540	923.20	0.0700	00	.00	0	400	000	11	64.62	= 80 hours
000-00-0000	Carter	D	E	70001	07	04	3	08	92.320	923.20	0.0700	00	.00	0	050	000	11	64.62	= 10 days

PAY RATE/EARNINGS RELATIONSHIP

If a pay increase occurs in the same pay period, use separate payroll entries to reflect earnings based upon each pay rate.

Social Security Number	Member Name Last Name	F	M	Coverage Group	Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Paid Rate	Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Member Code	Tax-Deferred Member Contribution Amount	
000-00-0000	Baker	C	D	70001	07	04	3	04	11.540	553.92	0.0700	00	.00	0	400	000	11	38.77	= 48 hours
000-00-0000	Baker	C	D	70001	07	04	3	04	12.500	400.00	0.0700	00	.00	0	400	000	11	28.00	= <u>32 hours</u> 80 hours

QUADRI-WEEKLY SERVICE CREDIT (EARNINGS ÷ PAY RATE = SERVICE CREDIT)

Pay Rate	Maximum Creditable Service
Monthly	= 0.923 month
Hourly	= 160 hours
Daily	= 20 days

Social Security Number	Member Name Last Name	F	M	Coverage Group	Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Paid Rate	Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Member Code	Tax-Deferred Member Contribution Amount	
000-00-0000	Adams	B	C	70001	07	04	6	01	2,000.000	1,846.15	0.0700	00	.00	0	173	000	11	129.23	= 0.923 month
000-00-0000	Baker	C	D	70001	07	04	6	04	11.540	1,846.40	0.0700	00	.00	0	400	000	11	129.25	= 160 hours
000-00-0000	Carter	D	E	70001	07	04	6	08	92.320	1,846.40	0.0700	00	.00	0	050	000	11	129.25	= 20 days

If a pay increase occurs in the same pay period, use separate payroll entries to reflect earnings based upon each pay rate.

Social Security Number	Member Name Last Name	F	M	Coverage Group	Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Paid Rate	Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Member Code	Tax-Deferred Member Contribution Amount	
000-00-0000	Baker	C	D	70001	07	04	6	04	11.540	1384.80	0.0700	00	.00	0	400	000	11	96.94	= 120 hours
000-00-0000	Baker	C	D	70001	07	04	6	04	12.500	500.00	0.0700	00	.00	0	400	000	11	35.00	= <u>40 hours</u> 80 hours

PAY RATE/EARNINGS RELATIONSHIP

FULL-TIME SERVICE CREDIT – ELECTED OFFICIALS

Elected/appointed officials who elect to be covered by CalPERS must receive full-time service credit during their term of office. Compensation, not reimbursement of expenses, must be reported on a monthly basis in most cases (exceptions may apply to elected officials who receive compensation more than once a month). If the official receives a monthly amount of compensation but the reporting frequency is other than monthly, use the following guidelines to report the individual on your payroll:

- 1) list the person on only one report each month;
- 2) use contribution code 03 or 13;
- 3) use the service period type "0" for that entry;
- 4) report compensation earned for the month as both pay rate and earnings (pay rate will be the same as the earnings); and
- 5) report in a separate unit code from regular employees, if unit code is used.

OR: Submit a separate monthly payroll report for elected officials.

FULL-TIME SERVICE CREDIT – ELECTED OFFICIAL (MONTHLY REPORTING)

Social Security Number	Member Name			Coverage Group	Service Period			Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Member Code	Tax-Deferred Contribution Amount
000-00-0000	Evans	F	G	70001	07	04	0	01	300.000	300.00	0.0700	00	.00	0	173	000	11	21.00

FULL-TIME SERVICE CREDIT – ELECTED OFFICIAL (OTHER THAN MONTHLY REPORTING)

Social Security Number	Member Name			Coverage Group	Service Period			Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Code	Contribution Amount	Survivor Contrib Amount	Work Schd Code	Unit Code	Member Code	Tax-Deferred Contribution Amount
000-00-0000	Evans	F	G	70001	07	04	0	01	300.000	300.00	0.0700	00	.00	0	173	000	13	21.00

Note: 12 entries per year are reported even though the agency's pay period may be bi-weekly or semi-monthly.

PAY RATE/EARNINGS RELATIONSHIP

SCHOOL MEMBER PAY RATES

Report school members to CalPERS using the actual rate of pay at which they are hired, i.e., hourly, daily, or monthly. **Do not** convert an hourly or daily pay rate to a monthly equivalent, as this could result in incorrect final benefits for the member.

SCHOOL MEMBERS – REPORTING EQUAL PAYMENTS

School employees who are in a less than full-time contract must have their earnings reported as earned, not as it is paid (Government Code Section 20633).

Some districts make equal salary payments to their employees throughout the school year. The district may report member **earnings** as equal payments to CalPERS **providing the member actually works during the month being reported**. Salary withheld during the school year to pay members during the time they are off should be reported when earned. Do not report the reduced **earnings** during the school year and the payments made when the members are not working.

The following method is suggested for reporting equal payments for earnings of hourly paid employees to CalPERS:

1. Determine the total hours the employee will work during the school year.
2. Add vacation, sick leave, and holiday hours.
3. Multiply the total of No. 1 and No. 2 by the hourly pay rate found in the labor agreement between the employee and the district. This determines annual salary.
4. Divide the annual salary by the number of months the member will actually render service during the school year. Count a whole month even if the member only works a partial month.
5. Report the amount calculated in No. 4 in the "member Earnings" column of the payroll listing. Docks, terminations, etc., prior to the end of the school year, would alter earnings accordingly.

REDUCED WORKTIME PROGRAM FOR CLASSIFIED/CERTIFICATED SCHOOL MEMBERS

Certain classified and certificated school district members may enter into a reduced worktime program without loss of retirement credit, if the governing board of a school district or community college district elects to establish regulations to implement such a program (Sections 44922, 45139, 87483, 88038, Education Code 89516 and Government Code Sections 20900 and 20905).

The **minimum** requirements for such a program are:

1. Eligible employees must be at least 55 years old;
2. The employee must have 10 years full-time classified service and the immediately preceding five years must be without a break;
3. Transfer to reduced work time is optional to the employee and termination requires employee and employer consent;
4. Salary shall be a pro-rata share of the active salary and no benefit entitlements shall be lost, including health, survivor benefits, disability benefits and retirement;
5. The minimum part-time employment level must be 50% of the employee's previous full-time employment;
6. The part-time program shall not exceed five years nor extend beyond the end of the school year during which the employee reaches age 70.

The employer, not CalPERS, is required to verify the eligibility of the employee and to maintain the necessary records to identify the employees involved in the program.

No notice is required to be sent to CalPERS. The employer should report employees under the reduced worktime program as if they had worked full time; i.e., report the pay rate and earnings the employee would receive if she/he works full-time. The employee will also pay member contributions based on the full-time earnings reported. This will result in full service credit and benefits based on full salary levels. The employer contributions on the full-time pay will automatically pay for the cost of the program.

PAY RATE/EARNINGS RELATIONSHIP

PROPER REPORTING OF OVERTIME PAY RATES FOR SCHOOL MEMBERS

California public Employees' Retirement System (CalPERS) Government Code Section 20636.1 requires all services rendered up to 40 hours per week be reported for non-certificated school members. Government Code Section 20635.1 indicates that overtime compensation is excluded from reporting. Schools commonly have employees who have a regular work week that is less than 40 hours per week, and these employees are paid at a straight-time, hourly rate for those hours. For any services rendered in excess of their regular work week, they receive an overtime rate of pay. In order to comply with Government Code Section 20636.1, schools must report this employee to CalPERS for the hour worked over their normal work week, up to 40 hours per week. The work schedule code reported on the CalPERS payroll file for these employees must be 400 if they are reported with an hourly pay rate and 173 if they are reported with a monthly pay rate. Even though the member is being paid an overtime rate, any hours worked between the regular work week and 40 hours per week should be reported to CalPERS at the normal hourly rate that corresponds with the salary schedule for that classification. All earnings for services rendered in excess of 40 hours per week should not be reported to CalPERS. Overtime rates should not be reported to CalPERS for non-certificated school employees in accordance with Government Code 20635.1.

Examples of proper and improper reporting follow. These examples are for an employee being paid \$15 per hour for hours up to 35 hours per week (35 hours x 4 weeks = 140 hours). The employee is being paid \$22.50 per hour for hours from 36 to 40 per week (5 hours x 4 weeks = 20 hours). The \$22.50 per hour pay rate should not be reported to CalPERS.

All pay rates and earnings should reflect the straight time rate of \$15 per hour. In the correct example below, reporting to CalPERS may be consolidated on one line reflecting a \$15 hourly pay rate and total earnings of \$2,400. Incorrect data is shaded.

Month	Pay Rate	Member Earnings
Correct		
Sept (Reg hrs)	\$15.00	\$2,100.00
Sept (OT hrs)	\$15.00	\$300.00
Incorrect		
Sept (Reg hrs)	\$15.00	\$2,100.00
Sept (OT hrs)	\$22.50	\$450.00
Incorrect		
Sept (Reg hrs)	\$15.00	\$2,100.00
Sept (OT hrs)	\$15.00	\$450.00
Incorrect		
Sept (Reg hrs)	\$15.00	\$2,100.00
Sept (OT hrs)	\$22.50	\$300.00

NOTE: For more information contact the Employer Contact Center at (888) CalPERS (225-7377)

PAY RATE/EARNINGS RELATIONSHIP

REPORTING "PREMIUM PAY" UNDER THE FAIR LABOR STANDARDS ACT (FLSA)

The FLSA determines at what point premium pay must be paid to employees. However, "premium pay" time under the FLSA is not the same as overtime as defined by the Retirement Law. California Government Code Section 20635 defines overtime for retirement purposes as "...the aggregate service performed by an employee...in excess of the hours of work considered normal for employees in the same group or class of employment on a full-time basis....".

For reporting to CalPERS, keep in mind you need to report all compensation that is paid for normal full-time service. When reporting "premium pay" (as defined by FLSA) care must be taken not to disturb the pay rate / earnings relationship so the member will receive the correct service credit.

If the member is being reported with a monthly pay rate, the member should continue to be reported with the regular monthly pay rate and earnings. The additional earnings the member receives (the "premium pay") should be reported as special compensation.

The following example is based on a firefighter whose normal full-time work schedule is 56 hours per week. FLSA states that premium pay must be paid on all hours worked above 53 hours per week up to what is considered normal for employees on a full-time basis. In this example, compensation would be reported at "straight time" for the entire 112 hours in the bi-weekly pay period (56 hours per week) on the normal payroll entry, and FLSA premium pay (3 hours of "half-time" pay) based on the 6 hours in the bi-weekly pay period (3 hours per week) would be reported in a second entry as special compensation. Any work performed above 56 hours per week would be considered overtime and would not be reported to CalPERS.

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Code	Contribution Amount	Survivor Contrib Amount	Work Sched Code	Unit Code	Tax-Deferred Member Code	Contribution Amount
000-00-0000	Diaz	M	E	74001	07	04	3	01	3,000.000	1,938.72	0.0900	00	.00	0	243	000	11	174.48
000-00-0000	Diaz	M	E	74001	07	04	3	09	51.930	51.93	0.0900	00	.00	0	000	000	16	4.67

If the member is being reported with an hourly pay rate, the member should continue to be reported with the regular hourly pay rate for all hours worked and the corresponding earnings in one entry and the additional earnings (the "premium pay") in another entry as special compensation.

Social Security Number	Member Name Last Name	F	M	Coverage Group	Service Period Mo	Year	Type	Pay Code	Pay Rate	Member Earnings	Member Rate	Paid Code	Contribution Amount	Survivor Contrib Amount	Work Sched Code	Unit Code	Tax-Deferred Member Code	Contribution Amount
000-00-0000	Diaz	M	E	74001	07	04	3	04	17.310	1,938.72	0.0900	00	.00	0	560	000	11	174.48
000-00-0000	Diaz	M	E	74001	07	04	3	09	51.930	51.93	0.0900	00	.00	0	000	000	16	4.67

This section describes the four basic methods of reporting payroll to CalPERS—***pre-list, Personal Computer, diskette, and magnetic tape***—and explains how to complete the various forms involved in the reporting process.

CHANGING REPORTING METHOD

Should you wish to change your reporting method, provide written notice for approval to the Payroll Processing Unit at least 30 days prior to the change. Study the method and specifications carefully to be sure that your organization can comply with the standards.

When your agency converts to the personal computer diskette method, or magnetic tape reporting method, parallel reports are required until you are notified that the computer generated reports are correct and compatible with CalPERS equipment. The first report using the new method should have a note enclosed indicating “first run”.

Frequency of reporting to CalPERS should always coincide with your payroll periods. If you wish to change your frequency, please provide written notice to the Payroll Processing Unit at least 30 days prior to the change.

SUBMITTING MULTIPLE REPORTS

Should you wish to begin submitting multiple payrolls for the same service period (same employer code and service period type code), or if you wish to increase the number of multiple payrolls to be submitted each period, contact the Payroll Processing Unit *prior* to sending the first reports. CalPERS will assign a 3-digit office code to *each report*. Office codes must be used on all subsequent payrolls so that CalPERS may separately identify them each service period.

CHANGING REPORTS TO INCLUDE EMPLOYER PAID MEMBER CONTRIBUTIONS OR TAX DEFERRED MEMBER CONTRIBUTIONS

Effective July 1983, it became mandatory for agencies who pay any portion of member contributions under Government Code Section 20691 to designate those contributions separately on CalPERS reports. This way of reporting is also to be used by those employers who implement a program of deferring taxes on employee contributions to CalPERS under IRC 414(h)(2).

Agencies who report via pre-list method will see two columns on the Payroll Listing (AESD-625A) to be used for this purpose. Agencies who report via computerized methods will see the fields in the record formats and columns on the hardcopy payroll listing to be used for this purpose.

ACES: Automated Communication Exchanges System is a highly secure on-line system that provides employers the ability to exchange membership, health, and payroll information with CalPERS on a transactional basis. Visit the ACES Website at www.calpers.ca.gov/ACES.

PRE-LIST (PERS-AESD-625A)

The pre-list method is a manual method of reporting payroll to CalPERS for employers who do not have access to a personal computer. With this method CalPERS stores the latest payroll transactions received from an employer and prepares a detailed list of the information on a Payroll Listing, form PERS-AESD-625A. This pre-list is mailed to the employer for use in preparing the payroll for the next service period.

The **components** of the pre-list method are:

1. Payroll Listing—PERS-AESD-625A (pre-list).
2. Summary Report, Member and Employer Contributions—PERS-AESD-626.
3. Remittance payable to CalPERS.

The updated pre-list (AESD-625A), Summary Report (AESD-626) and the remittance are mailed to CalPERS at **P.O. Box 1982, Sacramento, CA 95809-1982**.

WHEN TO COMPLETE:

Update and return the pre-list Payroll Listing to CalPERS each service period. Failure to comply within the specified time period will result in administrative and/or delinquency charges.

SPECIAL INSTRUCTIONS:

1. Return the original AESD-625A, including the Summary Worksheet page, and keep a copy for your records.
2. The office code and batch number in the upper left hand corner of the Payroll Listing are assigned by CalPERS for identification purposes. Please do not change either of these items or combine pages of listings with different batch numbers or office codes in a single report.
3. The reference number which appears in the first column of the Payroll Listing is assigned by CalPERS as an aid in referencing the record. **Do not** change or add a reference number for any transaction.
4. For basic information on each item used in a payroll entry, see “**Payroll Reporting Elements**” in this manual.
5. **Burst the payroll report** and submit the pages in numerical order with the summary worksheet page last. The summary report (AESD 626) is attached to the front of the entire payroll.

PRE-LIST (PERS-AESD-625A)

STATE OF CALIFORNIA

FOR INSTRUCTIONS ON COMPLETING THIS FORM, REFER TO THE MATERIAL ON THE PAYROLL LISTING FOUND IN THE PAYROLL REPORTING SECTION OF THE PROCEDURES MANUAL (PERS-ADM-DO-430).

EMPLOYER	SERVICE PERIOD		
CODE	MONTH	YEAR	TYPE

OFFICE	BATCH
CODE	NUMBER

PAYROLL LISTING FOR PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SERVICE PERIOD TYPE CODES	
ITEM	CODE
MONTHLY	0
SEMI-MONTHLY - 1ST HALF	1
SEMI-MONTHLY - 2ND HALF	2
BI-WEEKLY - 1ST PAYROLL	3
BI-WEEKLY - 2ND PAYROLL	4
BI-WEEKLY - 3RD PAYROLL	5
QUADRI-WEEKLY - 1ST PAYROLL	6
QUADRI-WEEKLY - 2ND PAYROLL	7

PAY CODES	
ITEM	CODE
MONTHLY PAY RATE	01
HOURLY PAY RATE	04
DAILY PAY RATE	05
MISC. PAY RATE	06
(FOR SPECIAL COMPENSATION REPRESENTING NO ADDITIONAL SERVICE)	

CONTRIBUTION CODES		
ITEM	NORMAL COL (10)	TAX DEFERRED COL (15)
NORMAL CURRENT CONTR.	01	11
PREIOR PERIOD CONTR ADJUST	02	12
PREIOR PERIOD EARNINGS ADJ.	03	13
CONTRIBUTION RECEIVABLE	04	-
RETROACTIVE SALARY ADJ.	05	-
SPECIAL COMPENSATION	06	16
SURVIVOR CONTRIBUTION	07	-
ADDITIONAL CONTRIBUTIONS	08	-
EMPLOYEE PAID	09	-
EMPLOYER PAID	08	-

[illegible]

PAGE	EMPLOYER	EMPLOYER
NUMBER	CODE	NAME

PAGE TOTALS				
MEMBER EARNINGS	NORMAL MEMBER CONTRIBUTIONS	ADDITIONAL CONTRIBUTIONS	SURVIVOR CONTRIBUTIONS	TAX DEFERRED MEM CONTR

**PAYROLL LISTING—PRE-LIST
INSTRUCTIONS FOR COMPLETION**

1. Enter the current service period on every page in the “Service Period” block, upper left-hand corner.
2. Add those payroll entries which apply to the current service period being reported and are not included on the Payroll Listing supplied by CalPERS. Make an addition by entering all the necessary data on the line following the last payroll entry on the Payroll Listing, or on a blank AESD-625A. DO NOT enter additions BETWEEN lines of the pre-printed data. Do not make additions on the Summary Worksheet (final page) of the Payroll Listing. Arrange the additions in member surname alphabetical sequence, or, if unit codes are used, arrange the additions alphabetically within unit groupings.

Do *not* assign reference number; CalPERS assigns.

Reference Number	Social Security	Member Name First, last	Coverage Group	Service Period	Pay Code	Pay Rate	Member Earnings	Contrib . Rate	Normal member contributions Code	Amount	Survivor Contrib.	Work Schedule Code	Unit Code	Tax Deferred Member Contributions Code	Amount
001	000-00-0000	Ross, S	70001		01	1250	1250	0700	01	43.75	2.00	173	100	11	43.75
002	000-00-0000	Sun, K	70001		04	6500	1144	0700	01	40.04	2.00	400	100	11	40.04
003	000-00-0000	Rock, J	70001						04	40.00	2.00	173	100	11	51.87
004	000-00-0000	Ball, L	70001												

3. Change any information (such as earnings, contributions, Social Security number) that is shown incorrectly on the Payroll Listing. Make a change by drawing a single line through the incorrect information (the entire field, not just the incorrect digit or letter), entering the new data immediately above, and circling the reference number on the line being changed. Do not line out too heavily as the data must be visible for modification by CalPERS.
4. *Delete* payroll entries which do not apply to the current service period. Make a deletion by drawing a single line through all the printed data. Do not line out too heavily as the data must be visible for deletion by CalPERS.

PURPOSE

A modified pre-list should be requested anytime 75% or more of the member earnings, contribution amounts and/or payrate entries will be changed for a service period. The modified pre-list is a Payroll Listing (AESD-625A) with certain columns left blank to accommodate those changes.

WHEN TO COMPLETE:

The "Modified A" should be used only when 75% or more of the pay rate, earnings, and contributions will change. To request a "Modified A" pre-list please call the Employer Contact Center at (888) CalPERS (225-7377).

NOTE: CalPERS sends out "Modified A" pre-lists to employers who report by prelist at the end of the fiscal year.

PAYROLL REPORTING SYSTEM—PERSONAL COMPUTER METHOD

The CalPERS Payroll Reporting System is a software package developed by CalPERS designed to replace the pre-list reporting method. The same restrictions apply concerning what data must be given and what must be left blank for the different contribution codes. The only difference is that you will now be entering the data on your PC instead of paper, allowing certain error checks to be done at the time the data is entered. Information on installing this system on your PC is available from the CalPERS website at www.calpers.ca.gov or contact the **Employer Contact Center at (888) CalPERS (225-7377)**.

PAYROLL—ACES

The Automated Communication Exchange System—**ACES**—is an on-line system that provides employers the ability to exchange membership, health and payroll information with CalPERS on a transactional basis. ACES is **free** to all CalPERS business partners and can be accessed from an ordinary personal computer through a highly secure Internet web browser.

With Internet File Transfer, employers can transmit payroll files securely from their internal human resources systems to CalPERS for processing. This functionality allows employers to leverage their existing systems to exchange information with CalPERS. There is no training required. A payroll representative can walk you through this process.

If your agency currently uses the CalPERS Payroll Reporting System, you can start transmitting your payroll through ACES almost immediately. We just need a completed Employer User Security Agreement (PERS-AESD-43) to set up the account administrator for your agency. A copy of the AESD-43 can be found on the following page or can be downloaded online at www.calpers.ca.gov.

Some of the advantages of transmitting payroll via **ACES** include:

- **Payroll data is received and processed faster.** Prior to ACES, employers gathered payroll information and sent it to CalPERS on diskettes or tapes for processing; CalPERS staff then processed the data manually. The process could take a week. With ACES it now takes minutes.
- **Simple edits to validate payroll format saves time.** ACES performs a simple validation before it accepts payroll data to ensure that the required header, detail, and footer records are included. If any of these record types are missing, ACES provides on-line notification to the employer so they can correct the data immediately. This reduces time-consuming interaction between CalPERS and employers to correct invalid formats.
- **Corruption of payroll media is minimized.** The handling and processing of corrupt tapes, diskettes, and cartridges will be minimized with ACES since the system does not rely on external media to transmit data. ACES is able to detect corrupted files.
- **Submitting payroll data via secure electronic connections reduces costs.** Data delivery is streamlined through the use of secure electronic connections. Both CalPERS and employers save labor and postal costs related to the handling and loading of payroll data.

To sign up for ACES or to find out more about Payroll File Transfer, please visit the ACES Website at www.calpers.ca.gov/ACES or contact the Employer Contact Center at (888) CalPERS (225-7377).

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
EMPLOYER USER SECURITY AGREEMENT
(TO BE COMPLETED BY EMPLOYER AND EMPLOYEE) (PLEASE PRINT CLEARLY)

EMPLOYEE		EMPLOYER
Employee Name:		Employer Name:
Employee Social Security Number:	Date of Birth:	Employer Code (CalPERS):
Employee Business Phone:	Employee Business Fax:	Employer Physical Address:
Employee Business E-mail Address:		Employer Mailing Address:
Please check all that apply: <input type="checkbox"/> Account Administrator <input type="checkbox"/> Health <input type="checkbox"/> Membership <input type="checkbox"/> Payroll <input type="checkbox"/> PA Billing <input type="checkbox"/> Participant Inquiry		

By signing this document, the employee referenced above acknowledges reading, understanding, and agreeing to its contents and realizes the consequences of not complying with its terms.

The California Public Employees' Retirement System (CalPERS) collects personal information to administer the various programs, accessed through the Automated Communications Exchange System (ACES), for which it has responsibility. The information contained in CalPERS records is confidential, and CalPERS is required by law to protect such information from unauthorized access, use, and disclosure.

I understand the following are my responsibilities:

1. As an employee of an External User, I may access and/or transmit information only when relevant and necessary in the ordinary course of performing my official duties. I may not access, transmit or use information from CalPERS records for personal reasons. (Examples of inappropriate access or misuse of CalPERS record information include, but are not limited to: making personal inquiries on my own records or those of my friends or relatives; accessing information about another person, including locating their residence address, for any reason that is not related to my job responsibilities.)
2. I may disclose CalPERS record information to individuals only when relevant and necessary in the ordinary course of performing my official duties. (Examples of unauthorized disclosures include, but are not limited to: telling someone the social security number of another person when it is not part of my job responsibilities.)
3. To keep my password and User Name (User ID) confidential. I must take reasonable precautions to maintain the secrecy of my password and User ID. Reasonable precautions include, but are not limited to: not telling or allowing others to view my password or User ID; securing my terminal with a password or locking device when it is unattended while I'm logged onto the CalPERS inquiry system; reporting any suspicious circumstances or unauthorized individuals I have observed in the work area to my supervisor; and notifying CalPERS, via completion of the Delete "ACES User Access" Form (AESD-42), when my User ID and Password should be deleted because my official duties no longer require access to the CalPERS inquiry system or I am separating from my position with the employer referenced above.

I have read and understand the security policies stated above. I acknowledge and agree to utilize all CalPERS systems in accordance with the terms outlined in the California Public Employees' Retirement Law and CalPERS business practices, policies, and procedures. I understand that failure to comply with these policies may result in revocation of my access to CalPERS online records systems, adverse action, and/or civil or criminal liability under applicable laws. I further understand that I can undergo disciplinary action from my employer up to and including termination of employment.

I certify under penalty of perjury, under the laws of the State of California, that the information provided above is true and correct.

Executed at City:		County:
Date:	Employee Signature:	
Date:	Employer Signature:	

This form must be completed for each employee using CalPERS on-line access and be available to CalPERS upon request. Forms must be RETAINED IN A SECURE WORK SITE LOCATION of the Employer, for the life of the Agreement and for five years following the deactivation or termination of the Agreement. CalPERS is to be notified immediately in the event that any of its sensitive or confidential information is subjected to unauthorized disclosure, modification or destruction.
PERS-AESD-43 (07/04)

PAYROLL REPORTING SYSTEM---DISKETTE/MAGNETIC TAPE METHODS

If you are not using ACES to transmit your payroll file to CalPERS, you can submit your file on the following media: 3.5" diskette, 3490/3590 cartridge tape or CD-ROM. While **ACES is free** of charge and requires no media to be used, employers using other methods must submit their own media each service period with payroll data written in the prescribed format. Due to identify theft concerns and the occurrence of errors in reused media, diskettes and CD-ROMs will confidentially be destructed and recycled, and not returned to the employer. Cartridge tapes will be returned within 120 days after processing.

NOTE: To ensure the readability of data on diskettes, please follow proper diskette handling instructions including use of the recommended protective shipping carton. Diskettes that are damaged or unreadable will need to be resubmitted.

A hard copy list (printed payroll listing) of the diskette, CD-ROM, or tape is also required to be submitted. This list should reflect the same data that is reported on your media. When last minute changes to the payroll report must be made that cannot be included on the media, they are to be shown on a Supplemental Payroll Reporting Form (AESD-624), not on the hard copy payroll listing. The Supplemental Payroll Reporting Form can be found can be downloaded from the CalPERS website at www.calpers.ca.gov.

NOTE: If using the CalPERS Payroll Reporting System, be sure to select the A: drive before saving your payroll information, as the program automatically defaults to the C: drive. Please note that when creating a back-up diskette you need to use the back-up program, instead of the "Create a CalPERS Diskette Program". These are two completely different formats.

Your media, hard copy listing and Supplemental Forms are combined with a Summary Report (AESD-626) and remittance, and mailed to:

CalPERS
P.O. Box 1982
Sacramento, CA 95809-1982

If your media is packaged and mailed separately from the remittance, please use the following address:

CalPERS
P.O. Box 942703
Sacramento, CA 95809-1982

Reminder: A completed payroll report consists of all of the following elements:

- Summary Report (AESD-626)
- ACES file, Diskette, CD-ROM, or Tape
- Hard copy payroll listing
- Supplemental Payroll Reporting Form (AESD-624) (when necessary)
- Remittance made payable to CalPERS

DATA PROCESSING SPECIFICATIONS- DISKETTE/ CD-ROM/ TAPE

- Media must be in ASCII format.
- Files must be named "PERSFILE.TXT".
- Record length must be 96 characters, with a carriage return and line feed at the end of each record.
- A control record is required at the beginning of the detail and at the end.
- The record formats are shown in this section of the manual, along with the print layout for the payroll listing.

If you use the protective envelope for external labeling, *be sure the permanent label on the diskette has identification* (i.e., employer code).

DATA PROCESSING SPECIFICATIONS-DISKETTE/CD ROM

The external label should appear as follows:

EXTERNAL LABEL

EMPLOYER CODE	<u>A</u>	OFFICE CODE	<u>B</u>
SERVICE PERIOD	<u>C</u>		
RECORD COUNT	<u>D</u>		
PREPARED BY	<u>E</u>		

ITEM	BLOCK TITLE	INSTRUCTIONS
A	Employer Code	Enter the 4-digit employer code that CalPERS has assigned to your agency. If reporting multiple agencies on one media, enter each employer code.
B	Office Code	Enter the 3-digit office code only if your agency submits multiple payrolls (same employer code) for the same service period (same type code). The office code is assigned by CalPERS to differentiate these multiple reports.
C	Service Period (MMYYT)	Enter the 5-digit service period for which the media is being submitted: 2-digit month, 2-digit year (last 2 digits of year), and 1-digit type code. Example: Bi-weekly report, service period ends August 1, 2004, enter "08043."
D	Record Count	Enter the total count of records on the media. This count should equal the total record count on your final control record (trailer record). This count enables CalPERS to verify that all records have been read.
E	Prepared By	Enter the initials of the person responsible for external labeling.

DATA PROCESSING SPECIFICATIONS—TAPE

- Submit 3490 or 3590 Cartridge Tape.
- EBCDIC must be the recording mode.
- Record length must be 96 characters.
- Block size is 10 records per block. Other block sizes are acceptable, provided the block size information is on file with CalPERS. (CalPERS will not attempt to process tapes with unknown block sizes).
- The tape should contain no internal label.
- A control record is required at the beginning of the contribution detail and at the end.
- If the final control record does not fill the block, complete the block with records containing all 'nines' (9).
- A terminating tape mark (TM) is required as the final item on the tape.
- The record formats for the tape are shown in this section of the manual, along with the print layout for the payroll listing.

PAYROLL REPORTING SYSTEM---DISKETTE/MAGNETIC TAPE METHODS

EXTERNAL TAPE LABEL

An external tape label is required so that CalPERS can identify and properly process your agency's magnetic tape. The external label should appear as follows:

EXTERNAL TAPE LABEL

EMPLOYER CODE A
 OFFICE CODE B
 DEN C BLOCK SIZE D
 RECORD COUNT E
 SERVICE PERIOD F
 CREATION DATE G PREPARED BY H
 COMMENTS I

ITEM	BLOCK TITLE	INSTRUCTIONS
A	Employer Code	Enter the 4-digit employer code that CalPERS has assigned to your agency.
B	Office Code	Enter a 3-digit office code only if your agency submits multiple payrolls (same employer code) for the same service period (same type code). The office code is assigned by CalPERS to differentiate these multiple reports.
C	Density	Enter the appropriate density.
D	Block Size	Block size is 10 records per block. Enter "10". Exceptions to 10 records per block are only acceptable after written approval from CalPERS. (CalPERS will not attempt to process tapes with unknown block sizes).
E	Record Count	Enter the total count of records on the tape. This count should equal the total record count on your final control record (trailer record). This count enables CalPERS to verify that all records have been read.
F	Service Period (MMYYT)	Enter the 5-digit service period for which the tape is being submitted: 2-digit month, 2-digit year (last 2 digits of year), and 1-digit type code. <i>Example:</i> Bi-weekly report, service period ends August 1, 2004; enter "08043".
G	Creation Date (MMDDY)	Enter the date the tape was created: 2-digit month, 2-digit day, last digit of the year. <i>Example:</i> Tape was created on August 6, 2004: enter "08064".
H	Prepared By	Enter the initials of the person responsible for external labeling.
I	Comments	Left blank for your use.

PAYROLL REPORTING SYSTEM---DISKETTE/MAGNETIC TAPE METHODS

DATA PROCESSING SPECIFICATIONS—DISKETTE / CD-ROM/ TAPE

All monetary fields except pay rate may be reported as negative values. The values for minus zero through nine in the right-most (low-order) position of the negative field are shown in the table below:

NEGATIVE VALUES FOR DISKETTE/CD ROM/TAPE

VALUE	EBCDIC CHARACTER	DISKETTE/CD-ROM/TAPE	
		BINARY	HEX
—0	}	1101 0000	D0
—1	J	1101 0001	D1
—2	K	1101 0010	D2
—3	L	1101 0011	D3
—4	M	1101 0100	D4
—5	N	1101 0101	D5
—6	O	1101 0110	D6
—7	P	1101 0111	D7
—8	Q	1101 1000	D8
—9	R	1101 1001	D9

All monetary fields in the report must be zero-filled. For example, to report member earnings (positions 50-56) of \$1,250.00, position 50 must contain a zero to fill the entire field:

0	1	2	5	0	0	0
50	51	52	53	54	55	56

Monetary fields are:

Field	Position
Pay Rate	42-49
Member Earnings	50-56
Member Normal Contribution Amount	57-62
Survivor Contribution	69-71
Tax Deferred Member Contribution.....	75-80

REPORTING ADDRESSES BY MAGNETIC TAPE FOR ANNUAL STATEMENTS

Agencies with electronic data processing equipment with a tape installation can have their members' annual statements addressed with individual member addresses by sending an address tape to the System.

In order to have the addresses printed on statements, the address tape should reach the System prior to **August 1st**. The tape label should state that it is an address tape. Mail the tape to Information Processing Unit, P.O. Box 942704, Sacramento, CA 94229-2704.

Address Record

1	-	9	Social Security Number
10	-	13	Employer Code
14	-	19	Employee Number
20	-	31	Name (optional)
32	-	61	Address—line 1
62	-	91	Address—line 2
92	-	121	Address—line 3
122	-	150	Address—line 4
151	-	152	152nd position of record must be blank

Address records must be blocked twenty (20) records per block (3,040 characters). The last block of address records may be less than twenty (20) records, or the balance of the block must be padded with 9's. The last address block should be followed by an inter-record gap, followed by a tape mark.

NOTE: This tape must not have a tape header nor a tape trailer label. Tape density should be 6250 BPI.

PAYROLL REPORTING SYSTEM---DISKETTE/MAGNETIC TAPE METHODS

TWO DIGIT SERVICE PERIOD YEAR

RECORD FORMATS

FIRST CONTROL RECORD

Position	Field Size	Field Name	Alpha Numeric	Cobol Picture	Constant Value
1	1	Record I.D.	N	9	"0"
2 - 5	4	Employer Code	N	9(4)	
6 - 8	3	Unit Code	N	9(3)	
9 - 17	9	Filler	N	9(9)	All Zeros
*18 - 19	2	Service Period Month	N	99	
*20 - 21	2	Service Period Year	N	99	
*22	1	Service Period Type Code	N	9	
23 - 34	12	Identifier PAYROLL"		AN	X(12) "CONT.
35 - 39	5	Creation Date (MMDDYY)	N	9(5)	
40 - 42	3	Office Code	N	9(3)	
**43	1	Special Indicator	N	9	
44 - 96	53	Unused	AN	X(53)	All Spaces

RECORD DESCRIPTION

Position	Field Size	Field Name	Alpha Numeric	Cobol Picture	Constant Value
1	1	Record I.D.	N	9	"1"
2-5	4	Employer Code	N	9(4)	
6-8	3	Unit Code	N	9(3)	
9-17	9	Social Security Number	N	9(9)	
18-19	2	Service Period Month	N	99	
20-21	2	Service Period Year	N	99	
22	1	Service Period Type Code	N	9	
23-32	10	Last Name	AN	X(10)	
33	1	First Initial	AN	X	
34	1	Middle Initial	AN	X	
35-39	5	Coverage Group	N	9(5)	
40-41	2	Pay Code	N	99	
42-49	8	Pay Rate	N	S9(5)V999	
50-56	7	Member Earnings	N	S9(5)V99	
57-62	6	Member Normal Contribution Amount	N	S9(4)V99	
63-64	2	Member Normal Contribution Code	N	99	
65-68	4	Contribution Rate	N	V9999	
69-71	3	Survivor Contribution	N	S9V99	
72-74	3	Work Schedule Code	N	9(3)	
75-80	6	Tax Deferred Member Contribution Amount	N	S9(4)V99	
81-82	2	Tax Deferred Member Contribution Code	N	99	
83-96	14	Unused			

* Service period on first control record must be the current period being reported.

**Special indicator is used to indicate "this payroll is a special payroll" constant value = 0 for normal payroll or 1 for special payroll.

PAYROLL REPORTING SYSTEM---DISKETTE/MAGNETIC TAPE METHODS

TWO DIGIT SERVICE PERIOD YEAR

RECORD FORMATS—Continued

LAST CONTROL RECORD

Position	Field Size	Field Name	Alpha Numeric	Cobol Picture	Constant Value
1	1	Record I.D.	N	9	"9"
2-5	4	Employer Code	N	9(4)	
6-8	3	Unit Code	N	9(3)	
9-17	9	Filler	N	9(9)	All Nines
*18-19	2	Service Period Month	N	99	
*20-21	2	Service Period Year	N	99	
*22	1	Service Period Type Code	N	9	
23-34	12	Filler	AN	X(12)	"TRAIL RECORD"
35-39	5	Total Record Count	N	9(5)	†
40-96	57	Unused	AN	X(57)	All Spaces

* Service period on last control record must be the current period being reported.

† Total Count of Contribution Detail Records.

PAYROLL REPORTING SYSTEM---DISKETTE/MAGNETIC TAPE METHODS

FOUR DIGIT SERVICE PERIOD YEAR

RECORD FORMATS

FIRST CONTROL RECORD

Position	Field Size	Field Name	Alpha Numeric	Cobol Picture	Constant Value
1	1	Record I.D.	N	9	"0"
2 - 5	4	Employer Code	N	9(4)	
6 - 8	3	Unit Code	N	9(3)	
9 - 17	9	Filler	N	9(9)	All Zeros
*18 - 19	2	Service Period Month	N	99	
*20 - 23	4	Service Period Year	N	99	
*24	1	Service Period Type Code	N	9	
25 - 36	12	Identifier	AN	X(12)	"CONT.PAYROLL"
37 - 41	5	Creation Date (MMDDY)	N	9(5)	
42 - 44	3	Office Code	N	9(3)	
**45	1	Special Indicator	N	9	
46 - 96	51	Unused	AN	X(53)	All Spaces

RECORD DESCRIPTION

Position	Field Size	Field Name	Alpha Numeric	Cobol Picture	Constant Value
1	1	Record I.D.	N	9	"1"
2-5	4	Employer Code	N	9(4)	
6-8	3	Unit Code	N	9(3)	
9-17	9	Social Security Number	N	9(9)	
18-19	2	Service Period Month	N	99	
20-23	4	Service Period Year	N	99	
24	1	Service Period Type Code	N	9	
25-34	10	Last Name	AN	X(10)	
35	1	First Initial	AN	X	
36	1	Middle Initial	AN	X	
37-41	5	Coverage Group	N	9(5)	
42-43	2	Pay Code	N	99	
44-51	8	Pay Rate	N	S9(5)V999	
52-58	7	Member Earnings	N	S9(5)V99	
59-64	6	Member Normal Contribution Amount	N	S9(4)V99	
65-66	2	Member Normal Contribution Code	N	99	
67-70	4	Contribution Rate	N	V9999	
71-73	3	Survivor Contribution	N	S9V99	
74-76	3	Work Schedule Code	N	9(3)	
77-82	6	Tax Deferred Member Contribution Amount	N	S9(4)V99	
83-84	2	Tax Deferred Member Contribution Code	N	99	
85-96	12	Unused			

* Service period on first control record must be the current period being reported.

** Special indicator is used to indicate "this payroll is a special payroll" constant value = 0 for normal payroll or 1 for special payroll.

PAYROLL REPORTING SYSTEM---DISKETTE/MAGNETIC TAPE METHODS

FOUR DIGIT SERVICE PERIOD YEAR

RECORD FORMATS—CONTINUED

LAST CONTROL RECORD

Position	Field Size	Field Name	Alpha Numeric	Cobol Picture	Constant Value
1	1	Record I.D.	N	9	"9"
2-5	4	Employer Code	N	9(4)	
6-8	3	Unit Code	N	9(3)	
9-17	9	Filler	N	9(9)	All Nines
*18-19	2	Service Period Month	N	99	
*20-23	4	Service Period Year	N	99	
*24	1	Service Period Type Code	N	9	
25-36	12	Filler	AN	X(12)	"trail record"
37-41	5	Total Record Count	N	9(5)	†
42-96	55	Unused	AN	X(57)	All Spaces

* Service period on last control record must be the current period being reported.

† Total Count of Contribution Detail Records.

PURPOSE

The payroll listing is a hard copy print-out of the transactions reported on the diskette or tape. It is used along with the diskette or tape to process the payroll for a particular service period.

WHEN TO COMPLETE

Print the payroll listing each time a diskette or tape is prepared for submitting payroll transactions to CalPERS.

SPECIAL INSTRUCTIONS

1. The information shown on the payroll listing must agree with the information on the diskette or tape. **Do not** make manual changes to the payroll listing; use a Supplemental Payroll Reporting Form (AESD-624) for this purpose.
2. Arrange the names on the listing in alphabetical order by surname and unit code or by Social Security number in ascending order by unit code. For balancing purposes, coverage group codes should be reported separately by unit.
3. The payroll listing should be printed on standard stock computer paper 14" to 14 ⁷/₈" by 11". The listing may be printed with the paper turned vertically or horizontally. The paper may range in weight from 14 to 20 pounds. The payroll listing may be printed on 8¹/₂" X 11" paper subject to prior approval by CalPERS. The listing should be printed on one side only. Front to back copies will be returned and may be subject to administrative charges.
4. Include the headings on every page of the payroll listing.
5. Allow one inch margins at the top and bottom of each page.
6. When unit codes are used, include totals by unit as well as by page.
7. The final page must have overall totals. The totals **MUST** agree with those on the Summary Report, Member and Employer Contributions (AESD-626) **UNLESS** a Supplemental Payroll Reporting Form (AESD-624) is used. In the latter case, these totals should be carried to the Supplemental Payroll Reporting Form where they would be adjusted.
8. **BURST THE PAYROLL LISTING BEFORE SUBMITTING IT TO CalPERS.**

SUPPLEMENTAL PAYROLL REPORTING FORM

ALL COMPUTERIZED REPORTING METHODS (PERS-AESD-624)

PURPOSE

The Supplemental Payroll Reporting Form (PERS-AESD-624) is used by employers reporting via diskette or tape to manually include last minute changes or corrections to the reports being submitted for a service period. The data on the hard copy payroll listing must agree with the diskette or tape. *DO NOT* make manual changes to the payroll listing. Use the AESD-624 for this purpose.

WHEN TO COMPLETE

Complete the Supplemental Payroll Reporting Form only when last minute changes to the report are necessary.

SPECIAL INSTRUCTIONS

1. The Supplemental Payroll Reporting Form is to be used only for last minute changes when the payroll cannot be re-run. Since your computer system should be designed to handle the reporting requirements outlined in this manual, the Supplemental Payroll Reporting Form *is not* to be used to handle computer system problems.

A maximum of five completed pages of forms will be accepted for any one payroll. If more than five are submitted, CalPERS will charge the agency key entry costs of \$0.60 a line with a \$25.00 minimum. An alternative is to submit an additional diskette or tape with a hard copy and Summary Report (AESD-626) all labeled as a "Special" report.

2. Complete the AESD-624 in duplicate; send the original copy to CalPERS along with the Payroll Listing, tape or diskette and the Summary Report, Member and Employer Contributions (AESD-626). Keep the duplicate for your files.
3. For basic information on each item used to complete this form, see "PAYROLL REPORTING ELEMENTS" in this section.

SUPPLEMENTAL PAYROLL REPORTING FORM--(PERS-AESD-624)

Supplemental Form AESD 624 Instructions

BLOCK TITLE	INSTRUCTIONS
Employer Code	Enter the 4-digit employer code assigned by CalPERS. It is found in the Annual Employer Statement.
Office Code	This CalPERS assigned code is required only for agencies who regularly submit more than one payroll for the service period (using the same employer code and service period type code). Enter the 3-digit code assigned to this payroll. Leave blank if your agency does not use office codes.
Employer Name	Enter the full name of your agency.
Service Period	Enter the 5-digit service period for which the Supplemental Payroll Reporting Form is being submitted; 2-digit month, 2-digit year (last 2 digits of year), and 1-digit type code. Use the same service period here as on the Summary Report, Member and Employer Contributions (AESD-626).
Special Payroll	Check this block only when you are submitting an entire payroll that is reporting a special situation, such as a retroactive raise or mass correction. Leave blank when it does not apply.
Total Member Earnings	Enter the total of member earnings from the diskette or tape before changes from the Supplemental Payroll Reporting Form are applied.
Total Normal Contributions	Enter the total of contribution codes 01, 02, 03, 04, 05 and 06 from the diskette or tape, before changes from the Supplemental Payroll Reporting Form are applied.
Total Tax Deferred Contributions	Enter the total of contribution codes 11, 12, 13, 14, 15, and 16 from the diskette or tape, before changes from the Supplemental Payroll Reporting Form are applied. Leave blank when there are no tax deferred member contributions.
Total Additional Contributions	Enter the total of additional contributions (contribution codes 08 and 09) from the diskette or tape before changes from the Supplemental Payroll Reporting Form are applied. Leave blank when no additional contributions are reported.
Total Survivor Contributions	Enter the total of survivor contributions from the diskette or tape before changes from the Supplemental Payroll Reporting Form are applied. Leave blank when no survivor contributions are reported.
Total Member Earnings	Calculate the sum of the Total Member Earnings block (top of page) and the Member Earnings column. Enter the new total in the Total Member Earnings block (bottom of page). If more than one page is being used, enter the total on the final page only. Enter this total in Item 5 on the Summary Report (AESD-626).

SUPPLEMENTAL PAYROLL REPORTING FORM--(PERS-AESD-624)

BLOCK TITLE	INSTRUCTIONS
Total Normal Contributions	Calculate the sum of the Total Normal Contributions (top of page) and the Normal Member Contributions Amount column, excluding contribution codes 08 and 09. Enter the new total in the Total Normal Contributions block at the bottom of the page. If more than one page is being used, enter the total on the final page only. Enter this total in Item 7 on the Summary Report (AESD-626).
Total Tax Deferred Contributions	Calculate the sum of the Total Tax Deferred Contributions block at the top of the page and the Tax Deferred Member Contributions column. Enter the new total in the Total Tax Deferred Contributions block at the bottom of the page. DO NOT include amounts reported as contribution codes 08 or 09. If more than one page is being used, enter the total on the final page only. Enter this total in Item 8 on the Summary Report (AESD-626).
Total Additional Contributions	Calculate the sum of the Total Additional Contributions block at the top of the page and amounts reported as contribution codes 08 and 09 in the Normal Member Contributions Amount column. Enter the new total in the Total Additional Contributions block at the bottom of the page. If more than one page is being used, enter the total on the final page only. Enter this total in Item 9 on the Summary Report (AESD-626).
Total Survivor Contributions	Calculate the sum of the Total Survivor Contributions block at the top of the page and the Survivor Contribution column and enter the new total in the Total Survivor Contributions block at the bottom of the page. If more than one page is being used, enter the total on the final page only. Enter this total in Item 11 on the Summary Report (AESD-626).

**SUPPLEMENTAL PAYROLL REPORTING FORM—
AESD-624****Examples** (Sample entries follow):

1. A new CalPERS member, Frank P. Howard, came to work near the end of the current service period. The payroll office was notified after the payroll was run but before submitting it to CalPERS. You need to add this member on the AESD-624.
2. One of your members, Donald Ramos, separated from employment with your agency at the end of the last reported service period. The payroll office was notified after the payroll was run but before submitting it to CalPERS. To delete this member from the payroll, enter the transaction exactly as it appears on the diskette or tape and enter negative money amounts (-) before the Member Earnings, Normal Member Contribution Amount, Survivor Contribution, and Tax Deferred Member Contribution Amount.
3. One of your members, Pamela T. Yuen, did not work a full pay period last month. Her earnings were less than that reported on the payroll. Since the payroll has not yet been submitted to CalPERS, you may make the adjustment on the AESD-624. Do this by making two payroll entries: (a) one reversing out the entry exactly as it shows on the diskette or tape, but with negative money amounts in the Member Earnings, Normal Member Contribution, Survivor Contribution, and Tax Deferred Member Contribution Amount areas; and (b) the corrected entry.

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TOTAL SURVIVOR CONTRIBUTIONS	5810.0
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DEADLINES, TIME EXTENSIONS, AND WAIVERS

CalPERS may, for good cause, grant an extension of time for the payment of contributions and/or the filing of payroll reports, provided a written request for such extension is received in the CalPERS Headquarters Office in Sacramento at least 10 days before it becomes delinquent. The extension can be for a single service period or it can cover up to one fiscal year. In the latter case, the circumstances surrounding the need for an extension would need to be re-evaluated each fiscal year.

CalPERS may waive delinquent charges upon satisfactory proof of conditions existing beyond the employer's control. Normally, CalPERS does not consider internal procedures or payment processes utilized by an employer as acceptable justification for late reporting and contribution payments. Requests for waivers should be submitted in writing to the CalPERS Headquarters Office in Sacramento on or immediately after the date the payroll reports and/or contributions are due.

Mail requests for extensions or waivers to the following address:

**CalPERS
P.O. Box 942709
Sacramento, CA 94229-2709**

**Attention: Actuarial and Employer Services
Division
Payroll Processing Unit**

NOTE: Member accounts will not receive full interest credit for the fiscal year if the payroll reports for the May and prior service periods are not received by June 30. The June payroll period report must be received on or before July 31.

REPORTING DEADLINES, ADMINISTRATIVE AND DELINQUENCY CHARGES

All payroll reports must be *received* in the CalPERS Sacramento office within 30 calendar days after the close of a service period, or 20 calendar days after CalPERS mails the pre-list for that service period, whichever is later. If an employer fails to file a payroll report on time, CalPERS will assess a minimum administrative charge of \$200 for every report that is late. This charge will cover the added costs of follow-up and special handling.

Delinquency charges are covered in more depth in the Summary Report section of this chapter.

CalPERS will only consider a payroll report "received" if the report is *complete* and *correct* according to the requirements set forth in this manual. Payroll reports that cannot be processed routinely will be returned to the employer for correction.

Member and employer contributions must be *received* by CalPERS Sacramento Headquarters within 15 calendar days after the close of a service period. If an employer fails to pay at least 90% of the contributions on time, CalPERS may assess an interest charge on the amount outstanding from the date the contributions were due to the date they were actually received. The interest rate used will be the rate CalPERS earns on short term investments.

FOR AGENCIES REPORTING BY PRE-LIST: If the agency does not have a pre-list to send, **it is the agency's responsibility to request a pre-list so that the current payroll may be filed.**

COUNTY CODES

1 Alameda	31 Placer
2 Alpine	32 Plumas
3 Amador	33 Riverside
4 Butte	34 Sacramento
5 Calaveras	35 San Benito
6 Colusa	36 San Bernardino
7 Contra Costa	37 San Diego
8 Del Norte	38 San Francisco
9 El Dorado	39 San Joaquin
10 Fresno	40 San Luis Obispo
11 Glenn	41 San Mateo
12 Humboldt	42 Santa Barbara
13 Imperial	43 Santa Clara
14 Inyo	44 Santa Cruz
15 Kern	45 Shasta
16 Kings	46 Sierra
17 Lake	47 Siskiyou
18 Lassen	48 Solano
19 Los Angeles	49 Sonoma
20 Madera	50 Stanislaus
21 Marin	51 Sutter
22 Mariposa	52 Tehama
23 Mendocino	53 Trinity
24 Merced	54 Tulare
25 Modoc	55 Tuolumne
26 Mono	56 Ventura
27 Monterey	57 Yolo
28 Napa	58 Yuba
29 Nevada	
30 Orange	

SUMMARY REPORT

MEMBER AND EMPLOYER CONTRIBUTIONS (PERS-AESD-626)

ALL REPORTING METHODS

PURPOSE

The Summary Report (PERS-AESD-626) is used by employers to summarize member and employer contributions being reported each service period. It is also used to identify contributions being submitted in advance of the payroll detail.

In order to obtain a copy of this form please visit the CalPERS Website at www.calpers.ca.gov, click the Employer Tab, click Employer Forms and Download. For your review only an example of this form is on the following page.

WHEN TO COMPLETE

Complete the summary report any time contributions are submitted to CalPERS. Exception: Adjustment payments may be submitted separately with a Notice of Adjustment (ACC-1520) or a Notice of Adjustment, Employer Contributions (ACC-344).

SPECIAL INSTRUCTIONS

1. Prepare the Summary Report in triplicate; submit the original and first copy to CalPERS. Retain the second copy for your records.
2. Make the remittance payable to the California Public Employees' Retirement System. Include in the remittance any adjustments that are required; attach the ACC-1520 or ACC-344 to support any adjustments made.

DO NOT include as part of the remittance any payments for Social Security, Health Benefits, Contingency Reserve Fund, administrative charges or delinquency charges.
3. Current requirements per the California Government Code require that at least 90% of the Member and Employer contributions must be **received** in CalPERS Headquarters no later than 15 days after the last day of the payroll period; and the remaining 10% and completed payroll report must be **received** in CalPERS Headquarters no later than 30 days after the ending date of the payroll period.

If a completed payroll cannot be submitted within fifteen (15) days of the ending date of the payroll period, an advance payment of 90 percent of your agency's estimated contributions should be submitted. You then have 30 days from the ending date of your payroll period to send in the remainder of the money due and the corresponding pre-list or hard copy listing and tape or diskette.

A \$200.00 administrative fee is assessed on the completed reports that are received late and an Interest Assessment (based on the average rate of return on short term investments earned by CalPERS during the month in which the monies were due) on monies that are received late.

FISCAL YEAR END REPORTING DEADLINES

All completed payroll reports for payroll periods ending on or before May 31 must be received in CalPERS Headquarters on or prior to the original due date or June 30, which ever is earliest. Failure to meet this deadline can result in the loss of interest posted to member accounts.

All completed payroll reports for payroll periods ending on or before June 30 must be received in CalPERS Headquarters on or prior to the original due date or July 31, which ever is earliest. Any completed payroll reports for payroll periods ending on or before June 30 but received after July 31 may not appear on the Annual Member Statement for that fiscal year.

Employers reporting by the pre-list method should use the Summary Worksheet of the Payroll Listing (AESD-625A) to prepare the Summary Report.

Employers reporting via diskette or tape methods should use the adjusted totals on the Supplemental Payroll Reporting Form (AESD-624), if used, or the final totals on the last page of the hard copy payroll listing if a Supplemental Payroll Reporting Form is not used.

SUMMARY REPORT- (PERS-AESD-626)

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
400 P STREET, P.O. BOX 1982, SACRAMENTO, CA 95809-1982



SUMMARY REPORT MEMBER AND EMPLOYER CONTRIBUTIONS

FOR INSTRUCTIONS ON COMPLETING THIS FORM, REFER TO THE MATERIAL ON THE SUMMARY REPORT FOUND IN THE PAYROLL REPORTING SECTION OF THE PROCEDURES MANUAL (PERS-ADM-DO-430)

FOR CALPERS USE ONLY

SERVICE PERIOD TYPE CODES	
ITEM	CODE
MONTHLY	0
SEMI-MONTHLY-1ST HALF	1
SEMI-MONTHLY-2ND HALF	2
BI-WEEKLY-1ST PAYROLL	3
BI-WEEKLY-2ND PAYROLL	4
BI-WEEKLY-3RD PAYROLL	5
QUADRIWEEKLY-1ST PAYROLL	6
QUADRIWEEKLY-2ND PAYROLL	7

EMPLOYER CODE: 0000	EMPLOYER NAME: City of Wagonwheel	OFFICE CODE	COUNTY CODE 54			
CERTIFICATION I HEREBY CERTIFY THAT I AM THE DULY APPOINTED, QUALIFIED, AND ACTING OFFICER OF THE HEREIN NAMED EMPLOYER, AND THAT THE DATA AS SET FORTH ON THIS FORM AND THE SUPPORTING DOCUMENTS ARE TRUE AND CORRECT.		<input type="checkbox"/> SPECIAL PAYROLL	SERVICE PERIOD			
			MONTH	YEAR	TYPE	
			08	04	0	
			BEGINNING DATE			
SIGNATURE		DATE: 9/1/2004	<input type="checkbox"/> SUPPLEMENTAL PAYROLL REPORTING FORM ATTACHED (PERS-AESD-624)	MONTH	DAY	YEAR
				08	01	02
NAME AND TITLE (PRINT OR TYPE) Juanita Moreno, Acct. Officer		PHONE NO: (209) 555-5533		ENDING DATE		
				MONTH	DAY	YEAR
				08	31	04

EMPLOYER CONTRIBUTIONS				MEMBER CONTRIBUTIONS	
1. COVERAGE GRP	2. EMPLOYER RATE	3. MEMBER EARNINGS	4. EMPLOYER CONTRIBUTIONS		
70001	13.583%	\$ 6876.00	\$ 933.97	7. NORMAL:	\$ 467.85
75001	26.826%	\$ 4160.00	\$ 1115.96	8. TAX DEFERRED:	\$ 427.87
				9. ADDITIONAL:	\$ 20.00
				10. SUB-TOTAL (7+8+9):	\$ 915.72
				11. SURVIVOR BENEFIT:	\$ 18.00
				12. TOTAL MEMBER CONTRIBUTIONS	\$ 933.72

5. TOTAL MEMBER EARNINGS: \$ 11036.00 6. TOTAL EMPLOYER CONTRIBUTIONS: \$ 2049.93

13. TOTAL MEMBER AND EMPLOYER CONTRIBUTIONS: (ITEM 6 +ITEM 12) \$ 2983.65

ADJUSTMENTS:	14.A SURPLUS ASSET: MISCELLANEOUS CATEGORY	\$ 0.00
	14.B SURPLUS ASSET: SAFETY CATEGORY	\$ 0.00
	14.C ACC-344/ACC-1520	\$ 0.00
	DATE PAID	\$ 0.00
	15. ADVANCE PAYMENT/EFT	\$ 0.00

16. BALANCE DUE: (ITEM 13 PLUS OR MINUS ITEM 14A, 14B, 14C OR 15) PREPARE ONE CHECK OR WARRANT PAYABLE TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM. \$ 2983.65

FOR CALPERS USE ONLY			
Control No. and Business Month	100% Change	Audited	Remittance Amount \$
			17. Date Paid
			18. Previous Document Number

PERS-AESD-626 (12/00)

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SUMMARY REPORT- (PERS-AESD-626)

BLOCK TITLE	INSTRUCTIONS
Employer Code	Enter the 4-digit employer code assigned by CalPERS. It is found in the Annual Employer Statement.
Employer Name	Enter the full name of your agency.
Office Code	<p>This CalPERS assigned code is required only for agencies who regularly submit more than one payroll for the service period (using the same employer code and service period type code).</p> <p>Enter the 3 digit code assigned to this payroll. Leave blank if your agency does not use office codes. If a county reports wage & contribution (payroll) information directly to CalPERS for trial court employees, the trial court should report an office code of "888" on all reports.</p>
Special Payroll	Check this block only when you are submitting an entire payroll that is reporting a special situation such as a retro-active raise or mass correction. Leave blank if it does not apply.
Signature	Have the person responsible for the accuracy of the entire payroll sign here after the form has been completed.
Date	Enter the date the Summary Report is signed.
Name and Title	Print or type the name and title of the person who signed in the Signature Block.
Telephone Number	Enter the area code and telephone number of the person signing the Summary Report.
Supplemental Payroll Reporting Form Attached	Check this block when a Supplemental Payroll Reporting Form (AESD-624) is attached. (This form is for diskette and tape methods only).
County Code	Enter the code of the county in which your agency is located. County Codes are listed at the beginning of the 'Summary Report' section.
Service Period	<p>Enter the 5 digit service period for which the Summary Report is being submitted; 2-digit month, last 2 digits of year, and 1-digit type code.</p> <p>The service period shown here must agree with that shown on the Payroll Listing (all reporting methods) and Supplemental Payroll Reporting Form (AESD-624), if used (diskette and tape methods only).</p> <p>Whenever a special payroll is submitted to report entries relating to a prior service period(s), the service period shown here should be a current service period with the corresponding beginning and ending dates for that service period.</p>
Beginning Date	Enter the 6 digit date on which the service period being reported began. Example: 06 15 05
Ending Date	Enter the 6 digit date on which the service period being reported ended. Example: 06 28 05

SUMMARY REPORT- (PERS-AESD-626)

BLOCK TITLE	INSTRUCTIONS
1. Coverage Group	Enter each of the coverage groups shown on the payroll, one per line.
2. Employer Rate	Enter the current employer contribution rate that applies to each coverage group (see Annual Employer Statement). Only one employer rate may be used for each coverage group on the Summary Report. <u>Even if adjustments must be made to a previous service period which had a different employer rate, you must use the current rate.</u>
3. Member Earnings	Enter the total member earnings for each coverage group.
4. Employer Contributions	Multiply the member earnings by the corresponding employer rate for each coverage group and enter the resulting employer contributions.
5. Total Member Earnings	Enter the sum of the Member Earnings column. For the <i>pre-list</i> method, this total must agree with that shown on the Summary Worksheet. For <i>diskette</i> and <i>tape</i> methods, this total must agree with that shown on the last page of the payroll listing and if used, the Supplemental Payroll Reporting Form (AESD-624).
6. Total Employer Contributions	Enter the total of the Employer Contributions column.
7. Normal (Member Contributions)	Enter the total after tax member contributions due as shown on the payroll. This total does not include contributions reported under Contribution Codes 08 or 09. For the <i>pre-list</i> method, this total must agree with that shown on the Summary Worksheet. For <i>diskette</i> and <i>tape</i> methods, this total must agree with that shown on the last page of the payroll listing or, if a Supplemental Payroll Reporting Form (AESD-624) is used, the normal and tax deferred contributions shown on the Summary Report must agree with the total normal contributions shown on the Supplemental Payroll Reporting Form.
8. Tax Deferred (Member Contributions)	Enter the total tax deferred member contributions due as shown on the payroll. This total does not include contributions reported under Contribution Codes 08 or 09. For the <i>pre-list</i> method, this total must agree with that shown on the Summary Worksheet. For <i>diskette</i> and <i>tape</i> methods, this total must agree with that shown on the last page of the payroll listing or, if a Supplemental Payroll Reporting Form (AESD-624) is used, the normal and tax deferred contributions shown on the Summary Report must agree with the total normal contributions shown on the Supplemental Payroll Reporting Form.
9. Additional	Enter the total of employee and employer paid additional contributions due as shown on the payroll (Contribution Codes 08 and 09 <i>only</i>). For the <i>pre-list</i> method, this total must agree with that shown on the Summary Worksheet. For <i>diskette</i> and <i>tape</i> methods, this total must agree with that shown on the last page of the payroll listing and, if used, the Supplemental Payroll Reporting Form (AESD-624).
10. Sub-Total	Enter the totals of items 7, 8, and 9.

SUMMARY REPORT- (PERS-AESD-626)

BLOCK TITLE	INSTRUCTIONS
11. Survivor Benefit	<p>Enter the total survivor contributions as shown on the payroll.</p> <p>For the <i>pre-list</i> method, this total must agree with that shown on the Summary Worksheet. For <i>diskette</i> and <i>tape</i> methods, this total must agree with that shown on the last page of the payroll listing and, if used, the Supplemental Payroll Reporting Form (AESD-624).</p>
12. Total Member Contributions	Enter the total of Items 10 and 11.
13. Total Member and Employer Contributions	Enter the total of Items 6 and 12.
14A. Surplus Asset: Miscellaneous Category	Surplus Assets are no longer used. Field should be left blank. For use of Superfunded Vouchers, please see CalPERS Circular Letter No. 200-208-05, dated February 18, 2005.
14B. Surplus Asset: Safety Category	Surplus Assets are no longer used. Field should be left blank. For use of Superfunded Vouchers, please see CalPERS Circular Letter No. 200-208-05, dated February 18, 2005.
14C. Adjustments: ACC-344/ACC-1520	<p>Enter only the amount of adjustments shown by either the "Notice of Adjustment, Employer Contributions" (ACC-344), or the "Notice of Adjustment" (ACC-1520). Do not enter corrections of member earnings and member contributions made on the payroll listing. If more than one adjustment is being reported, enter the net amount to be adjusted.</p> <p>Attach the adjustment notice(s) to support the amount entered on this line.</p>
15. Advance Payment	<p>This item is used in two ways:</p> <ol style="list-style-type: none"> 1) When submitting an advance payment, enter the amount being submitted. See ADVANCE PAYMENT SAMPLE for an example of how to complete the Summary Report for submitting an advance payment. 2) When an advance payment has previously been submitted and this Summary Report contains the final payment and the payroll detail, enter the amount(s) submitted as an advance payment as a deduction to <i>determine</i> the balance due. Complete the Summary Report as you would for a regular payroll. See "SUMMARY SUBMITTED AFTER ADVANCE PAYMENT" sample for an example. <p>In both cases, be certain to include the date that the advance was paid. If your check or warrant is more than the amount shown in block 16, "Balance Due," do not insert the difference (over-payment) here. CalPERS will send your agency an overpayment notice after the Summary Report has been processed.</p>
16. Balance Due	<p>Enter the total of Items 13, 14A, 14B, 14C, and 15.</p> <p>Prepare one check or warrant payable to the Public Employees' Retirement System for the amount entered on this line.</p>

NOTE: A separate Summary Report must be submitted each service period for each employer code and office code.

EXAMPLE: ADVANCE PAYMENT-AESD-626

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EXAMPLE: SUMMARY SUBMITTED AFTER AN ADVANCE PAYMENT-AESD-626

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
400 P STREET, P.O. BOX 1982, SACRAMENTO, CA 95809-1982



SUMMARY REPORT MEMBER AND EMPLOYER CONTRIBUTIONS

FOR INSTRUCTIONS ON COMPLETING THIS FORM, REFER TO THE MATERIAL ON
THE SUMMARY REPORT FOUND IN THE PAYROLL REPORTING SECTION OF THE
PROCEDURES MANUAL (PERS-ADM-DO-430)

SERVICE PERIOD TYPE CODES	
ITEM	CODE
MONTHLY	0
SEMI-MONTHLY-1ST HALF	1
SEMI-MONTHLY-2ND HALF	2
BI-WEEKLY-1ST PAYROLL	3
BI-WEEKLY-2ND PAYROLL	4
BI-WEEKLY-3RD PAYROLL	5
QUADRIWEEKLY-1ST PAYROLL	6
QUADRIWEEKLY-2ND PAYROLL	7

FOR CALPERS USE ONLY

EMPLOYER CODE: 0000	EMPLOYER NAME: City of Wagonwheel	OFFICE CODE	COUNTY CODE 54			
CERTIFICATION I HEREBY CERTIFY THAT I AM THE DULY APPOINTED, QUALIFIED, AND ACTING OFFICER OF THE HEREIN NAMED EMPLOYER, AND THAT THE DATA AS SET FORTH ON THIS FORM AND THE SUPPORTING DOCUMENTS ARE TRUE AND CORRECT.		<input type="checkbox"/> SPECIAL PAYROLL	SERVICE PERIOD			
			MONTH 08	YEAR 04	TYPE 0	
SIGNATURE		DATE: 9/1/2004	<input type="checkbox"/> SUPPLEMENTAL PAYROLL REPORTING FORM ATTACHED (PERS-AESD-624)	BEGINNING DATE		
				MONTH 08	DAY 01	YEAR 02
NAME AND TITLE (PRINT OR TYPE) Juanita Moreno, Acct. Officer		PHONE NO: (209) 555-5533		ENDING DATE		
				MONTH 08	DAY 31	YEAR 04

EMPLOYER CONTRIBUTIONS				MEMBER CONTRIBUTIONS	
1. COVERAGE GRP	2. EMPLOYER RATE	3. MEMBER EARNINGS	4. EMPLOYER CONTRIBUTIONS	7. NORMAL:	
70001	13.583%	\$ 6876.00	\$ 933.97		\$ 467.85
75001	26.826%	\$ 4160.00	\$ 1115.96	8. TAX DEFERRED:	\$ 427.87
				9. ADDITIONAL:	\$ 20.00
				10. SUB-TOTAL (7+8+9):	\$ 915.72
				11. SURVIVOR BENEFIT:	\$ 18.00
				12. TOTAL MEMBER CONTRIBUTIONS	\$ 933.72

5. TOTAL MEMBER EARNINGS: \$ 11036.00 6. TOTAL EMPLOYER CONTRIBUTIONS: \$ 2049.93

13. TOTAL MEMBER AND EMPLOYER CONTRIBUTIONS: (ITEM 6 +ITEM 12) \$ 2983.65

ADJUSTMENTS:	14.A SURPLUS ASSET: MISCELLANEOUS CATEGORY	\$ 0.00
	14.B SURPLUS ASSET: SAFETY CATEGORY	\$ 0.00
	14.C ACC-344/ACC-1520	\$ 0.00

ATTACH ADJUSTMENT NOTICES TO SUPPORT AMOUNT SHOWN.
NOTE: Do not enter in this space corrections of member earnings
and contributions made on Payroll Listing.

DATE PAID

15. ADVANCE PAYMENT/EFT **7/17/04** **-2685.00**

16. BALANCE DUE: (ITEM 13 PLUS OR MINUS ITEM 14A, 14B, 14C OR 15) **\$ 298.65**
PREPARE ONE CHECK OR WARRANT PAYABLE TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM.

FOR CALPERS USE ONLY			
Control No. and Business Month	100% Change	Audited	Remittance Amount \$
			17. Date Paid
			18. Previous Document Number

PERS-AESD-626 (12/00)

WHITE AND GREEN COPIES TO SYSTEM, RETAIN PINK FOR YOUR FILES.

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NOTICE OF ADJUSTMENT EMPLOYER CONTRIBUTIONS (PERS-ACC-344) CALPERS INITIATED FORM

PURPOSE:

The Notice of Adjustment, Employer Contributions (ACC-344) is generated by CalPERS to notify an employer that an adjustment of employer contributions is necessary for the reason(s) shown.

SPECIAL INSTRUCTIONS:

1. ***On the next payroll submitted***, adjust the amount of employer contributions. If there is only one adjustment notice, enter this amount on line 14C of the Summary Report, Member and Employer Contributions (AESD-626). If there is more than one adjustment notice (ACC-344 and/or ACC-1520), enter the net adjustment on line 14C of the Summary Report.

2. Return the original adjustment notice(s) along with the Summary Report to substantiate the adjustment amount shown on line 14C.
3. If the adjustment results in a payment due to the System, you may remit the payment separately from the Summary Report. Return the original adjustment notice along with the remittance.

If you have any questions regarding an ACC-344 notice, please contact the Employer Contact Center at (888) CalPERS (225-7377).

NOTE: The percentage entered in the "Rate" box is the employer contribution rate in effect at the time the ACC-344 is prepared, regardless of the service period in which the compensation is actually earned.

STATE OF CALIFORNIA, BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 400 P STREET, P.O. BOX 1982, SACRAMENTO, CA 95809-1982



FOR PERS USE ONLY

NOTICE OF ADJUSTMENT
 EMPLOYER CONTRIBUTIONS
 PERS-ACC-344 (6/92)

PERS INITIATED FORM

FOR INFORMATION CONCERNING THIS FORM, REFER TO THE MATERIAL ON THE NOTICE OF ADJUSTMENT, EMPLOYER CONTRIBUTIONS FOUND IN THE PAYROLL REPORTING SECTION OF THE PROCEDURES MANUAL (PERS-ADM-DO-430)

SECTION 830
 MEMBERSHIP DIVISION
 TELEPHONE (916)

DATE:	ATTN.: ACCOUNTING OFFICER
EMPLOYER CODE:	EMPLOYER NAME:

No. PA 42964

DETAIL OF ADJUSTMENT

MEMBER NAME:	SOCIAL SECURITY NUMBER:	DATE(S): FROM TO
--------------	-------------------------	------------------

CHARGE

- ☐ ARREARS CONTRIBUTIONS
- ☐ MILITARY CONTRIBUTIONS
- ☐ OTHER

CREDIT

- ☐ NON-MEMBER EARNINGS REPORTED AS MEMBER EARNINGS
- ☐ LUMP SUM VACATION PAYMENT
- ☐ EARNINGS CHARGEABLE TO ANOTHER AGENCY
- ☐ OTHER

EMPLOYER CONTRIBUTIONS

COVERAGE GROUP	RATE	MEMBER EARNINGS	CHARGE	CREDIT
	% \$		\$	\$

YOUR EMPLOYER CONTRIBUTIONS SHOULD BE ADJUSTED BY THE AMOUNT SHOWN ABOVE ON YOUR NEXT REMITTANCE TO PERS. ENTER THE AMOUNT OF THE ADJUSTMENT IN ITEM 14 OF THE SUMMARY REPORT (PERS-ACC-626). AMOUNTS DUE PERS (CHARGES) MAY BE REMITTED SEPARATELY, IF DESIRED. IN ALL CASES, RETURN THE ORIGINAL OF THIS FORM AT THE TIME THE ADJUSTMENT IS MADE.

FOR PERS USE ONLY

EMPLOYER CODE	DATE STAMP	CONTROL NO.	BUS. MONTH	MEMBERSHIP	ACCOUNTING

NOTICE OF ADJUSTMENT (PERS-ACC-1520) CALPERS INITIATED FORM

PURPOSE:

The Notice of Adjustment (ACC-1520) is generated by CalPERS to notify an employer that an adjustment of contributions is necessary for the reason shown and/or the required certification signature was not present on the Summary Report (AESD-626).

SPECIAL INSTRUCTIONS:

1. ***On the next payroll submitted***, adjust the overpayment or underpayment amount. If there is only one adjustment notice, enter this amount on line 14C of the Summary Report, Member and Employer Contributions (AESD-626). If there is more than one adjustment notice (ACC-344 and/or ACC-1520), enter the *net* adjustment on line 14C of the Summary Report.
2. Return the original adjustment notice(s) along with the Summary Report to substantiate the adjustment amount shown on line 14C.

3. The "Remarks" section provides instructions to the employer or refers to an attached corrected "Summary Report" to explain the adjustment.
4. If the adjustment results in a payment due to the System, you may remit the payment separately from the Summary Report. Return the original adjustment notice along with the remittance.

If you have any questions regarding an ACC-1520 notice, please contact the Employer Contact Center at (888) CalPERS (225-7377).

NOTE: The Notice of Adjustment is sent to an employer after the Summary Report (AESD-626) has been processed and payroll information is posted to the members' accounts. The only way an error in the member's account can be corrected is through an adjustment entry on the Payroll Listing. Please do not attempt to adjust a member's account using line 14C of the Summary Report.

STATE OF CALIFORNIA, BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
400 P STREET, P.O. BOX 1982, SACRAMENTO, CA 95809-1982



NOTICE OF ADJUSTMENT
PERS-ACC-1520 (11/94)

PERS INITIATED FORM

FOR INFORMATION CONCERNING THIS FORM, REFER TO THE MATERIAL
ON THE NOTICE OF ADJUSTMENT FOUND IN THE PAYROLL REPORTING
SECTION OF THE PERS PROCEDURES MANUAL

DATE 4/5/2005	RETIREMENT PROG. ACCT. FISCAL SERVICES DIVISION TELEPHONE (888)CalPERS (225-7377)
EMPLOYER CODE: 0000	EMPLOYER NAME: City of Wagonwheel
Office Code	

☐ A. An adjustment has been made on your Summary Report, PERS-ACC-626, covering the 04/05/0 period for the reason(s) shown:

- ☐ 1. Computation error
- ☐ 2. Employer rate error:
- ☐ 3. Member earnings as reported on your payroll do not agree with the member earnings shown on your Summary Report.
- ☐ 4. Member normal contributions as reported on your payroll do not agree with the member normal contributions shown on your Summary Report.
- ☐ 5. Tax deferred member contributions as reported on your payroll do not agree with the tax deferred member contributions shown on your Summary Report.
- ☐ 6. Survivor/additional contributions as reported on your payroll do not agree with survivor/additional contributions shown on your Summary Report.
- ☐ 7. Other:

☐ B. The amount you remitted does not agree with the Balance Due (Item 16) on your Summary Report, PERS-ACC-626, covering the 04/05/0 service period.

BALANCE DUE (ITEM 16) AS ADJUSTED	\$	5697.03
AMOUNT REMITTED	\$	5682.03
LESS VOUCHERS		
OVERPAYMENT	\$	15.00

☐ C. Your Summary Report, PERS-ACC-626, covering the 04/05/0 service period did not contain the required certification signature.

REMARKS: See Summary copy attached. In order for you to resolve discrepancies which affect your member earnings and/or contributions, you will need CalPERS 'edited payrolls' for the indicated service period. Please contact (888) CalPERS (225-7377) to request microfiche copies of your payroll.

*Overpayments or underpayments should be adjusted on next Summary Report. Enter the amount of the adjustment as Item 14.C. You may remit underpayments separately, if desired. **IN ALL CASES,** the Original Notice of Adjustment must be returned at the time the adjustment is made.

PAYMENT OF CONTRIBUTIONS USING ELECTRONIC FUNDS TRANSFER (EFT)

INTRODUCTION

Electronic Fund Transfer (EFT) is a method of instructing financial institutions to electronically transfer money from one account to another, eliminating the use of paper checks. Transfers are initiated by voice or touch tone telephone.

CalPERS is offering EFT payment services for the most common and repetitive payments. These are retirement contributions and health premium payments. With EFT payments, you may expect to benefit from a reduction of manual paper processing and the associated errors. You will also reduce costs associated with check processing, reconciliation, and postage, as well as assuring the date your payment is received.

For questions regarding the CalPERS EFT program, please call the Employer Contact Center at (888) CalPERS or (225-7377).

HOW FUNDS ARE TRANSFERRED

Automated Clearing House (ACH) Debit: The Automated Clearing House is a partnership of financial institutions established to exchange funds electronically between participants. The ACH debit method allows you to transfer funds by authorizing CalPERS to electronically debit a bank account you control for the amount you report via telephone to the CalPERS Data Collector. The information you are requested to provide will identify yourself, the purpose of the payment, and the amount. If you authorize a payment before 3:00 PM Pacific Time it will be withdrawn from your bank account and deposited into a CalPERS account the following banking day.

Cost: CalPERS pays the cost for you to report an ACH debit transaction. A toll free telephone number 1-800-554-7500 for both touch-tone and voice is provided for this service.

Security: The generic four digit security code of "0000" will allow you first time access to the system. At that time you will be given the opportunity to change the security code to a numeric code of your choice. Retain this security code in your records, it will be the security code you use when reporting your payments thereafter. You may change your security code at any time.

CalPERS does not have access to your bank account without your authorization by the ACH Debit process for each payment. Funds can only be transferred to CalPERS for the specific purpose and dollar amounts that you request and initiate.

Verification Code: This code is a mathematical calculation that will be requested to ensure the accuracy of the amounts being remitted. Your calculated verification code must match that generated by the system in order for the transaction to be completed. Note: Calculation of the verification code will not identify transposed numbers.

Example: Assume a payment of \$75,150.55

- a) Total all digits in the payment
 $7+5+1+5+0+5+5=28$
- b) Count the number of digits in the payment
 $7,5,1,5,0,5,5 = 7$
- c) Add a+b. In this example, the verification code is 35 ($28+7$)

EFT PROGRAM AMOUNT

An **Enrollment Authorization Form** must be completed and signed for each employer transferring funds to CalPERS. If you are transferring funds on behalf of other employers you must obtain a separate authorization for each entity. County Offices of Education are considered a single entity for CalPERS reporting purposes. If you pay both retirement contributions and health premiums, a single Enrollment Authorization is sufficient for both payment types.

To obtain a copy of the Enrollment Authorization Form, please visit the CalPERS website at www.calpers.ca.gov.

Following your registration for EFT, CalPERS, in cooperation with the Data Collector, will conduct a pre-note (pre-notification) test to validate your bank account and bank routing transit numbers. This test uses a zero-dollar amount and will be conducted at least ten days prior to the first initiation of an EFT payment.

After successful pre-note testing, you will be sent an authorization letter informing you of your eligibility to participate. Please do not attempt to transfer funds until you have received your authorization letter. Upon enrollment in the CalPERS' EFT Program we prefer you use this method of payment exclusively for retirement contributions and health premiums. If you wish to withdraw from the program, please notify CalPERS in writing.

CalPERS offers two electronic payment services you can use to make and manage your retirement contribution and health premium payments – Online (by a secure Web service) or Interactive Voice (by phone).

Electronic payment services let you transfer funds from your agency's checking account directly to our bank – safely, securely, and easily. Plus, they are easy to use, simple to get started, and have no cost.

- **Save time and money** – no postage costs and no worries about lost or stolen checks.
- **Control your payments** – schedule in advance the exact date and time your payments are dispersed.
- **Eliminate any penalties or assessments** due to missed payment deadlines.
- **Any location, at any time** – all you need is Internet access or touch-tone phone.
- **Registration is simple** – one form does it all for both Interactive Voice and Online services.

Online Payment Service

This secure Web solution offers real time access, tracking of your payment transactions, and control and flexibility.

- **Security** – all payment information is encrypted using "Verisign" technology.
- **Accuracy** – review, modify, or cancel a payment anytime before settlement.
- **Convenience** – payment history is just a click away. Payment amount, settlement date and time, and more can be reviewed, sorted, printed, and used for validation or accounting reports.
- **Productivity** – use the same PIN for either the Interactive Voice or Online services. There's

also online FAQ's and live phone support if you need assistance.

Interactive Voice Payment Service

This payment option makes your time on the phone productive. Never wait for an operator – just dial and start your transaction.

- **Flexibility** – services can be reached through any touch-tone phone.
- **Efficient** – just follow the voice prompts to quickly move through the service.
- **Speed** – the structured options are easy to navigate.

Electronic Payment Service Registration

If you are currently using our Interactive Voice direct payment option, you're already set to use the Online option. There is no additional authorization or security needed. Log into the Online Payment Service at www.calpers.ca.gov and input your same PIN – and get started!

To get started making electronic payments, print out and complete the [Electronic Payment Service Registration form](#). Send the form, along with a "voided" check to the address indicated on the form.

Once we complete a test transaction (using a zero dollar amount), we'll send you a letter confirming your completed registration, along with easy to follow instructions and a start-up PIN (security code). For your protection and privacy, you'll be required to change your PIN the first time you use the service.

If you are using ACES to transmit your payroll listing and our electronic payment service, you will need to fax your Summary Report to (916) 795-7901. If you are not using ACES, you can still use the Online or Interactive Voice payment services. You will still need to mail/fax us your Summary Report in order to meet the requirements for complete reporting.

Want to Know More? Visit the CalPERS website at www.calpers.ca.gov or contact a CalPERS representative by calling (888) CalPERS or (225-7377).

How to MAKE A PAYMENT

Who to Call: You will communicate to the Data Collector through voice or touch tone dialing. The toll free number is 1-800-554-7500. If you choose voice, an operator will prompt you through the script and request specific information needed to process your payment. If you use the touch tone method, a pre-recorded script will prompt you in a similar manner and request specific information.

Required Information – You will be asked to report the following information:

Agency Code – You will be requested to choose the state agency you wish to pay.

Employer Code – You will be asked to enter your CalPERS four digit employer code.

Security Code – A four digit code you designate when you communicate your first payment.

Payment Type – You will be asked to select retirement contributions or health premiums. After you have made one type of payment you will be offered an opportunity to pay the other type for the same employer.

District Code – For Health payments only. You should enter **000** unless your invoice shows an actual District Code Number. An actual District Code Number has been assigned to certain public agencies that remit multiple health payments.

Month & Year – This is the month and year you intend to apply the payment. For retirement contributions this will be the payroll service period month and year that appears on your Summary Report of Member and Employer Contributions (AESD-626), for health payments it will be the invoice month and year.

Payroll Type – This information is only for retirement contributions. This is the same payroll type number that will be reported on

the Summary Report of Member and Employer Contributions (AESD-626) for which the payment is to be applied.

Amount – The dollar amount, including cents, you intend to transfer. Do not include commas or decimals when reporting this amount.

Verification – A number to validate the amount you intend to transfer.

Transaction Effective Date – You are provided the option of choosing a future date for your payment to be transferred to CalPERS. This choice is optional, if left blank your payment will be transferred the next banking day.

When you complete the transaction, the data collector will provide a reference number that confirms the reporting of your payment information. Retain this number for future reference in the event you wish to cancel or investigate a transaction.

Payroll Earnings and Health Premium Reports

Your retirement EFT payment must be placed on line 15 (advance payment) of the Summary Report and noted as EFT. Your health premium EFT payment must be placed in the box "Amount Due" and noted as EFT on form HBP-020-05. Noting EFT next to the payment amounts on these reports will assist the CalPERS staff with matching your payment with the correct report.

Cancellations and Inquiries

You may cancel or inquire about a reported transaction if you call the data collector before 3:00 p.m. Pacific Time **the same day the transaction was reported.** When you choose to cancel or inquire of a previously reported transaction, you will be transferred to a voice operator for assistance. The reference number assigned to the transaction when you originally reported will be requested.

**Departmental Use Only**

Receipt Date

Registration Date

**FISCAL SERVICES DIVISION -
ELECTRONIC FUND TRANSFER (EFT) AUTHORIZATION AGREEMENT**Please check **all appropriate boxes**:

- ☐ New EFT Participant
☐ Will pay retirement contributions via EFT
☐ Will pay health premiums via EFT
☐ Change Bank Account
☐ Change Contact Name and/or Telephone Number

SECTION I: PUBLIC AGENCY INFORMATION**INSTRUCTIONS:**

- The CalPERS Employer code is the same identification code reported to CalPERS on the Summary of Retirement Contributions Report (**PERS AESD-626**) or the Health Benefits Public Agency Billing System, Monthly Billing Invoice (**HBP020-05**).
- If you pay the retirement contributions or health premiums for more than one employer, a separate Electronic Fund Transfer Authorization Agreement form must be submitted for each employer.
- Please provide the name and phone number of an EFT contact person that is able to answer payment questions.
- Call **(916) 231-7669** for assistance

CalPERS EMPLOYER CODE _____	
Public Agency Name	Phone Number (____) _____ - _____
Mailing Address (Number, Street, Box Number)	
Mailing Address (City, State, Zip)	
EFT Contact Person	Phone Number (____) _____ - _____

SECTION II: BANK INFORMATION

INSTRUCTIONS:

- ☐ You may return your completed form by mail or via fax. **Please send us a voided check** with your completed Enrollment Authorization Form **or** a copy of a blank check marked void if you use a fax. Your check will provide verification of your bank account and routing transit numbers.

Upon the transmission of transaction information and verification by Accountholder, California Public Employees' Retirement System is hereby authorized to initiate debit entries for such transaction to the bank account identified below and the bank is authorized to debit such account. This authorization is to remain in full force until either party to this agreement terminates it by providing the other party with 30 days written notice.

Bank name		
Bank Address		
Bank Account Number	Routing Transit Number	
Type of account <input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Other (Explain) _____		
Signature	Title	Date

Use the **sample check** below to locate the bank account and routing transit numbers.

ABC Business 1234 Park Avenue Anytown, CA	1044
Pay to the order of _____ \$ XXXX	
_____ Dollars	
Anywhere Bank U.S.A. Memo _____	Not Negotiable
I:133404567 I:1234561304 III 1044	

↑
1

↑
2

↑
3

1. Routing Transit Number
(requires 9 digits)
2. Bank Account Number
(not to exceed 17 digits)
3. Check Number

When you have returned your completed authorization form and voided check we will go through a setup and testing process. After verifying a successful setup you will receive a confirmation letter. Simple instructions for use of the electronic funds transfer system will also be included.

Call (916) 231-7669 for assistance

Return to: **California Public Employees' Retirement System**
Fiscal Services Division-Cashier Unit
Attn: **Mike Riley**
P.O. Box 942703
400 P Street
Sacramento, CA 94229-2703

Or return by fax to: **fax number (916) 231-7901**

PAYROLL UNKNOWN DISCREPANCIES

CalPERS maintains a membership record for each member. The membership information in each payroll entry is compared with the information already on file. If there is no match, we have what is called a payroll unknown discrepancy.

Some possible reasons for a *payroll unknown discrepancy* are:

- The employee was reported on the payroll report before a PERS-AESD-1 or appointment was made via ACES to establish membership.
- Membership was established with one Social Security number and a different one was reported on the payroll report.
- Membership was established with one coverage group and a different one was reported on the payroll report.

SERVICE CREDIT DISCREPANCIES

The maximum amount of service credit reportable for each frequency is displayed in the section titled "Payrate/Earnings Relationship - Maximum Service Credit Amount." If the member would receive more than the maximum service credit allowable, a service credit discrepancy is generated.

Some possible reasons for a *service credit discrepancy* are:

- Compensation, such as overtime, was include in the entry, but should not have been reported.
- Compensation, such as special compensation, a Retroactive salary increase or a mid-service salary increase, has been included in the entry. These items of compensation should have been reported separately.

CONTRIBUTION DISCREPANCIES

With the membership information on file and the earnings shown in the payroll entry, CalPERS will calculate the amount of contributions that should have been reported. If the calculated amount of contributions differs from the contributions that were reported, a contribution discrepancy is generated.

Some possible reasons for a *contribution discrepancy* are:

- The member was reported under a wrong coverage group.
- The earnings were reported incorrectly.
- An incorrect member contribution rate was used.
- A mistake was made in calculating the member contributions.
- A mistake was made in applying the Social Security modification factor.

NOTE: Failure to resolve these discrepancies in a timely manner could result in members losing interest on their contributions, incorrect Annual Member Statements, and incorrect or delayed benefits that may be payable to these members. Also, note that the data submitted on the payroll reports, whether correct or incorrect, is used by CalPERS actuaries to determine the employer's contribution rate. Inaccurate or incomplete data may have an adverse affect on this rate.